



SANDRA SHEWRY  
Director

State of California—Health and Human Services Agency  
**Department of Health Services**



ARNOLD SCHWARZENEGGER  
Governor

June 27, 2007

Dear Interested Party:

**SUBJECT:** Electronic Release of **DRAFT** Request for Proposal #07-65142  
for the MMCD Actuarial Rate Development Project

The California Department of Health Services (CDHS), Office of Medi-Cal Procurement (OMCP) is releasing an electronic draft copy of a Request for Proposal (RFP) to acquire a firm to provide actuarial services for the Medi-Cal Managed Care program. The purpose of this draft is to request your comments and suggestions concerning the draft and the services sought, for consideration prior to the release of a final RFP. Interested Parties may now download the draft RFP from the OMCP web site at <http://www.dhs.ca.gov/omcp>

This document is **not** a solicitation for submission of a Narrative Proposal. It is a preliminary draft of the requirements expected to be included in the final RFP. Some sections in this draft RFP that include important due dates, terms (dates) of contract, the narrative proposal content requirements, narrative proposal rating factors and payment provisions are in development and are not complete. Specific details for these sections are to be determined subsequent to the release of the draft and these areas are subject to change. **All areas of this draft are subject to change.**

Your input is very important in helping us create an RFP that is clearly understood, organized and reflective of the CDHS' needs. Please be cognizant of suggestions that would be in conflict with the law, regulation, or federal mandate. Please note that CDHS does not intend to respond to input received. CDHS will consider all suggestions and recommendations and will incorporate those modifications determined to be appropriate. Interested Parties will have an opportunity to submit questions to CDHS and receive official CDHS responses once the final RFP is released.

If you would like to be placed on the Request for Inclusion on Mailing List at this time, you may submit Attachment 15 of the draft. OMCP will recognize this for all mailings relating to this procurement.

In order to ensure that your comments or questions are fully considered; please submit them in writing by the close of business **July 31, 2007**.

California Department of Health Services  
Office of Medi-Cal Procurement  
Attn: Donna Martinez, Chief  
MS 4200  
P.O. Box 997413  
Sacramento, CA 95899-7413

You may fax your comments to (916) 440-7369 or email your responses to [OMCPRFP1@dhcs.ca.gov](mailto:OMCPRFP1@dhcs.ca.gov)

Thank you for your interest in the MMCD Rate Development Project. If you have any questions, you may contact me at (916) 552-8006.

Sincerely,

Original signed by *Donna Martinez*

Donna Martinez, Chief  
Office of Medi-Cal Procurement



**DRAFT**

**Request for Proposal 07-65142**

Actuarial Rate Development Project

California Department of Health Services  
Office of Medi-Cal Procurement  
1501 Capitol Avenue, Suite 71.3041  
P.O. Box 997413/MS 4200  
Sacramento, CA 95899-7413

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## T. REQUIRED ATTACHMENTS

<b>Attachment #</b>	<b>Attachment Name</b>
<u>Narrative Proposal</u>	
Attachment 1	Proposal Cover Page
Attachment 2	Required Attachment / Certification Checklist
Attachment 3	Business Information Sheet
Attachment 4	Client References
Attachment 5	RFP Clause Certification
Attachment 6	CCC 307 - Certification
Attachment 7	Payee Data Record
Attachment 8	Follow-on Consultant Contract Disclosure
Attachment 9	DVBE Instructions/Forms with Attachment 9a, Actual DVBE Participation and Attachment 9b, Good Faith Effort
Attachment 10	Non-Small Business Subcontractor Preference Instructions with Non-Small Business Subcontractor Preference Request (Attachment 10a) and Small Business Subcontractor/Supplier acknowledgement (Attachment 10b). Use the forms included with the RFP forms.
Attachment 11	Target Area Contract Preference Act (TACPA) Request
Attachment 12	Enterprise Zone Act (EZA) Preference Request
Attachment 13	Conflict of Interest Compliance Certificate
Attachment 14	"Voluntary" Letter of Intent
Attachment 15	Request for Inclusion on Mailing List
Attachment 16	Cost Proposal Form



## U. SAMPLE CONTRACT FORMS / EXHIBITS

<b>Exhibit Label</b>	<b>Exhibit Name</b>
Exhibit A-1	Standard Agreement 213
Exhibit A	Scope of Work
Exhibit B	Budget Detail and Payment Provisions
Exhibit C – View on-line.	General Terms and Conditions (GTC 307). View or download this exhibit at this Internet site <a href="http://www.ols.dgs.ca.gov/Standard+Language/default.htm">http://www.ols.dgs.ca.gov/Standard+Language/default.htm</a> .
Exhibit D(F)	Special Terms and Conditions
Exhibit E	Additional Provisions
Exhibit E/ Attachment 1	Bid Documentation Certification
Exhibit F	Contractor's Release
Exhibit G	Travel Reimbursement Information
Exhibit H	HIPAA Business Associate Addendum
Exhibit I	Cost Proposal to be Included in final Contract
Exhibit J	Narrative Proposal to be Included in final Contract

## V. PROGRAM APPENDICES

<b>Appendix #</b>	<b>Appendix Name</b>
Appendix 1	Glossary of Terms
Appendix 2	Data Library Index
Appendix 3	Data Library Instructions
Appendix 4	Data Library Confidentiality Agreement
Appendix 5	List of Authorized Personnel
Appendix 6	Maps and Directions
Appendix 7	Center for Medicare and Medicaid Services Checklist (Appendix A. PAHP, PIHP, and MCO Contracts – Financial Review Documentation for At-Risk Capitated Contracts Ratesetting)

## A. Purpose, Background and Description of Services

### 1. Purpose

The State of California (State), Department of Health Services (CDHS)<sup>1</sup>, is conducting this Request for Proposal (RFP) to acquire actuarial services for the Medi-Cal Managed Care program. Proposers must address all of the services described in Exhibit A entitled, Scope of Work.

The Medi-Cal Managed Care Division (MMCD) intends to make a single contract award to the most responsive and responsible firm earning the highest score. This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, nonprofit organizations, State or public universities (including auxiliary organizations) and other entities.

CDHS is the designated single state agency responsible for administering the Medi-Cal program, including the rates of reimbursement paid to Fee-for-Service (FFS) health care providers and to managed care plans contracting with the State to provide health care services to Medi-Cal beneficiaries. In prior years, California used a FFS equivalent cost base rate methodology in calculating the capitation rates paid to the managed care plans. With the implementation and expansion of managed care, the FFS base has decreased significantly. State Fiscal Year 1996/97 is the last period with sufficient FFS data for base period calculations for public assistance and medically needy family, medically indigent child, and percent of poverty populations (FFS base data for Fiscal Year 2000/01 is used for the public assistance and medically needy aged, blind and disabled populations.) As a condition of receiving federal financial participation (FFP), managed care capitation rates must be certified by an actuary that the capitation rates:

- Have been developed in accordance with generally accepted actuarial principles and practices;
- Are appropriate for the populations to be covered, and the services to be furnished under the contract; and
- Have been certified, as meeting Title 42, CFR, Section 438.6(c), by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board.

This requirement was effective August 13, 2003.

CDHS' staff actuaries currently assume responsibility for developing capitation rates, upon which is the basis of payment to health plans. The level of capitation reimbursement is a controversial issue among contracting Medi-Cal managed care health plans and many have filed Notices of Dispute, which can result in litigation.

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<sup>1</sup> Effective July 1, 2007, the California Department of Health Services (CDHS) will become the Department of Health Care Services (DHCS). All references to CDHS after July 1, 2007, will be changed to DHCS to reflect the name change.

In May 2005, CDHS awarded a contract for actuarial services to Mercer Human Resource Consulting (Mercer). Under this contract, Mercer provided an independent and unbiased review of the Department's current capitation rate methodology. This project resulted in the publication of two reports written by Mercer. The reports entitled, "Capitation Rate Development Base Data Review and Assessment Report" and "Capitation Rate Development Process and Reimbursement Structure Review", were published in January 2007 and are available for viewing on the CDHS Medi-Cal Managed Care Division website (<http://www.dhs.ca.gov/mcs/mcmcd/default.htm>) and additionally, will be included in the Data Library of this RFP. After review of the Department's current methodology and input from Managed Care Health Plans, Mercer recommended an improved capitation rate methodology.

The purpose of this RFP is to obtain assistance with the implementation and monitoring of a new rate methodology(s). The technical nature of this work requires expert knowledge and experience in the area of governmental and commercial health care.

CDHS reserves the right, at its sole discretion, to select or reject any rate methodology recommended by the Contractor during the proposal or contract periods.

## **2. Background**

### **a. General Information**

In July 1965, the Social Security Act was amended to add Title XVIII, which established the Medicare program, and Title XIX, which established the state-option Medicaid program, known in California as Medi-Cal. Title XIX provided federal reimbursement (called "federal financial participation") to those states that implemented a Medicaid program.

California State legislation implementing the Title XIX program was signed in November 1965. The Medi-Cal program became effective in March 1966. Prior to the start of Medi-Cal, indigent Californians were provided health care services through a variety of programs administered by the counties. With the advent of Medi-Cal, a wide range of health benefits are provided uniformly to certain individuals throughout the State whose income and resources are insufficient to meet the costs of necessary medical services without jeopardizing the person's, or the family's, self-maintenance and security.

Medi-Cal is funded primarily by federal and state funds. The federal government contributes approximately fifty percent (50%) toward health care service costs. With few exceptions, the State contributes the balance. The Medi-Cal program is administered by the State in cooperation with the federal and county governments. Medi-Cal provides health care services to approximately 6.7

million beneficiaries at a cost in excess of \$32 billion a year and is one of the largest Medicaid programs in the nation.

Medi-Cal eligibles receive medical services through either a FFS health care delivery system or through enrollment in a managed care health plan.

Enrollment in a managed care health plan may be either mandatory or voluntary depending on the county in which the beneficiary resides and their eligibility status. Currently, approximately fifty percent (50%) of the Medi-Cal population is enrolled in managed care plans, projections indicate that enrollment is expected to increase.

b. Primary Medi-Cal Managed Care Models Used by California

California provides managed health care to Medi-Cal beneficiaries through three primary capitated, full-risk health care delivery models: County Organized Health System (COHS), Geographic Managed Care (GMC) program, and the Two-Plan Model.

- 1) Under the COHS model, a local agency, with representatives from providers, beneficiaries, local government, and other interested parties, is created by a county Board of Supervisors to contract with the Medi-Cal program. The COHS administers a capitated, comprehensive, case managed health care delivery system. All Medi-Cal beneficiaries residing in the county are required to enroll in the COHS to receive health care services. COHSs currently operate in Monterey, Napa, Orange, San Mateo, Santa Barbara, Santa Cruz, Solano, and Yolo Counties. However, under the 2005/2006 Governor's Budget, the number of counties in which a COHS operates may increase.
- 2) Under the GMC program, CDHS enters into contracts with several managed care plans to provide Medi-Cal services in a county. Public assistance and medically needy family, medically indigent child, and percent of poverty populations are required to enroll in one of the contracted managed care plans. The remaining populations may enroll voluntarily in one of the managed care plans or may choose to receive their health care through the FFS system. CDHS currently uses the GMC program in Sacramento and San Diego Counties, which provides services through six managed care plans, respectively. This number may change as a result of the State's efforts to expand managed care in additional counties. On April 17, 2007, CDHS released a Request for Application (RFA) to expand managed care into Placer County.
- 3) Under the Two-Plan Model, CDHS contracts with two managed care plans in each of 12 counties: a locally developed comprehensive managed care system (referred to as a local initiative) and a non-governmentally-operated HMO (referred to as the commercial plan), which is selected through a competitive bid process. Medi-Cal beneficiaries have a choice of two managed care plans operating in their county. The Two-Plan Model is currently available in Alameda, Contra Costa, Fresno, Kern, Los Angeles,

Riverside, San Bernardino, San Francisco, San Joaquin, Santa Clara, Stanislaus, and Tulare Counties. The Two-Plan Model has similar managed care enrollment requirements (i.e., mandatory and voluntary) as the GMC program. As with the GMC model, the Two-Plan Model may add more counties as a result of the Department's expansion efforts. For a complete list of counties and timelines for expansion you may visit the MMCD website (<http://www.dhs.ca.gov/mcs/mcmcd/default.htm>).

- 4) Other managed care models are used to a lesser extent. These models include: 1) one prepaid health plan contract, 2) one primary care case management contract (no inpatient services), 3) five long term care contracts (limited to aged and disabled populations), 4) one mental health services contract (no medical services), and 5) four dental services contracts.

## B. Time Schedule

Below is the tentative time schedule for this procurement:

Event	Date	Time (If applicable)
RFP Released	TBA	
Data Library Opens	TBA	
Questions Due	TBA.	
Voluntary Letter of Intent Due	TBA	
Request for Inclusion on Mailing List	TBA	
Voluntary Pre-Proposal Conference	TBA	
Proposal Due Date	TBA	
Notice of Intent to Award Posted	TBA	
Protest Deadline	TBA	
Contract Award Date	TBA	
Proposed Start Date of Agreement	TBA	

**C. Contract Term**

The term of the resulting agreement is expected to be a total of three (3) years and is anticipated to be effective XX XX, XXXX through XX XX, XXXX, with two (2), one (1) year optional extensions. The agreement term may change if CDHS makes an award earlier than expected or if CDHS cannot execute the agreement in a timely manner due to unforeseen delays. CDHS reserves the right to extend the term of the resulting agreement via an amendment as necessary to complete or continue the services. Contract extensions are subject to satisfactory performance, funding availability, and approval by the Department of General Services.

The resulting contract will be of no force or effect until it is signed by both parties and approved by the Department of General Services, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained. Should performance commence before all approvals are obtained, said services may be considered to have been volunteered if all approvals have not been obtained.

**D. Proposer Questions**

Immediately notify CDHS if clarification is needed regarding the services sought or questions arise about the RFP and/or its accompanying materials, instructions, or requirements. Your inquiry must be in writing and transmitted to CDHS as instructed below. At its discretion, CDHS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a proposal at their own risk. In addition, if awarded the contract, the successful Proposer shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission, or error.

If an inquiry appears to be unique to a single form or is marked "Confidential". CDHS will mail, email, or fax a response only to the inquirer if CDHS concurs with the Proposer's claim that the inquiry is sensitive or proprietary in nature. If CDHS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that CDHS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted; however, CDHS may consolidate and/or paraphrase similar or related inquiries.

**1. What to Include in an Inquiry**

- a. Inquirer's name, name of firm submitting the inquiry, mailing address, email address, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.

- c. RFP section, page number or other information useful in identifying the specific problem or issue in question.
- d. Remedy sought, if any.

A prospective proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a proposal may submit individual inquiries that are marked "Confidential". The Inquirer must include with its inquiry an explanation as to why it believes questions marked "Confidential" are sensitive or surround a proprietary issue.

## 2. Question Deadline

Proposers are encouraged to submit written inquiries about this RFP to CDHS no later than two (2) business days before the Pre-Proposal Conference date so answers can be prepared in advance. Notwithstanding the initial question submission deadline, CDHS will accept written or faxed inquiries received by 4:00 p.m. on TBA. At its discretion, CDHS may contact an inquirer to seek clarification of any inquiry received.

Notwithstanding the initial question submission deadline, CDHS will accept questions or inquiries about the following issues if such inquiries are received prior to the proposal submission deadline.

- a. Disabled Veteran Business Enterprise (DVBE) participation requirements and how to complete the DVBE attachments,
- b. The reporting of RFP errors or irregularities.

## 3. How to Submit Questions

Submit inquiries using one of the following methods:

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
Questions re: RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Questions re: RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814
<b>Fax:</b>	



Questions re: RFP 07-65142  
Actuarial Rate Development Project  
Michele DeGuzman  
CA Department of Health Services  
Office of Medi-Cal Procurement  
Fax: (916) 440-7369

**E-mail:** [OMCPRFP1@DHS.ca.gov](mailto:OMCPRFP1@DHS.ca.gov)

Proposers submitting inquiries by fax are responsible for confirming the receipt of all faxed materials by the question deadline.

Call OMCP at (916) 552-8006 to confirm faxed transmissions.

#### 4. Proposer Warning

- a. CDHS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If questions are mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to arrange for question pickup and receipt issuance by program staff.
- c. Courier service personnel must sign-in at the security station. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to collect the question envelope and to issue a receipt.

For driving and parking instructions, please review Appendix 6.

#### 5. Verbal Questions

Verbal questions are discouraged. CDHS reserves the right not to accept or respond to verbal inquiries. **Spontaneous verbal remarks provided in response to verbal inquiries are unofficial and are not binding on CDHS unless later confirmed in writing.**

**No inference should be drawn from any question to which CDHS does not respond in writing.**

Direct all verbal requests for DVBE assistance to CDHS' DVBE Coordinator at **(916) 650-0205** up to the proposal deadline.

#### E. Data Library

A Data Library for the sole use of proposers will be established on TBA. The Data Library will be accessible "by appointment" on State working days Monday through Friday from 8:00 a.m. to noon, and 1:00 p.m. to 4:00 p.m. Access to the Data Library is

restricted to authorized proposers and/or their authorized representatives who have established an advance appointment through the process described below.

## 1. Location

CDHS will maintain the Data Library at the following location:

CA Department of Health Services  
Office of Medi-Cal Procurement  
MS 4200  
1501 Capitol Ave Suite 71.3041  
Sacramento, CA 95899

For driving and parking instructions, see Appendix 6

## 2. Appointments

Appointments to access the Data Library must be arranged by contacting CDHS through one of the following methods:

Include the following information in the appointment request:

- a. Name of requester
- b. Title of requester
- c. Firm represented
- d. Telephone number
- e. Fax number
- f. Email address, if applicable
- g. Desired date of visit
- h. Desired time of visit

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
Library Appt. RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Library Appt. RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95899
<b>Fax:</b>	
Library Appt. RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement Fax: (916) 440-7369	

E-mail: [OMCPRFP1@DHS.ca.gov](mailto:OMCPRFP1@DHS.ca.gov)

### 3. Proposer Warning

- a. CDHS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the appointment request is mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on-street metered parking and to sign-in at the security desk. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to arrange for appointment request pickup and receipt issuance.
- c. Courier service personnel must sign-in at the security station. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to have appropriate staff collect the appointment request and to issue a receipt.

For driving and parking instructions, please review Appendix 6.

### 4. Contents

The Data Library contains various documentation and information that proposers will find beneficial in the preparation of their proposal responses. The contents of the Data Library may be found in Appendix 2, Actuarial Data Library Index.

Data Library materials may be periodically updated and additional documents may be added. Proposers that have requested access to the Data Library will be notified of the additions and/or changes by way of written notice.

### 5. Obtaining Copies of Library Materials

Some Data Library documentation will be available, upon written request, to be reproduced on-site. See Actuarial Data Library Index (Appendix 2). Most of the data library materials are available on CD(s). Upon request, OMCP will provide a copy of the CD(s), however, the requestor will be required to submit blank CD's to OMCP. Once recorded, the CD(s) will be returned to the requestor for use. Hard copied materials are available by appointment only. Please refer to Appendix 3, Data Library Instructions for instructions on how to obtain copies of hard copy materials.

### F. Pre-Proposal Conference

CDHS will conduct a voluntary Pre-Proposal Conference in Sacramento on TBA beginning at TBD at the following location:

California Department of Health Services Auditorium  
1500 Capitol Ave 1st floor Auditorium  
Sacramento, CA 95814

Prospective proposers that intend to submit a proposal are encouraged to attend the voluntary Pre-Proposal Conference. It shall be each prospective proposer's responsibility to attend the Pre-Proposal Conference promptly at TBD. CDHS reserves the right not to repeat information for participants who join the conference after it has begun.

If a potential prime contractor is unable to attend the voluntary Pre-Proposal Conference, an authorized representative of its choice may attend on its behalf. The representative may only sign-in for one potential prime contractor. Subcontractors may represent a potential prime contractor at the voluntary Pre-Proposal Conference.

The voluntary Pre-Proposal Conference is a public event or meeting and anyone may attend.

The purpose of the conference is to:

1. Allow prospective proposers to ask questions about the services sought or RFP requirements and/or instructions.
2. Share the answers to general questions and inquiries received before and during the conference.

**Spontaneous verbal remarks provided in response to questions/inquiries are unofficial and are not binding on CDHS unless later confirmed in writing.**

Carefully review this RFP before the conference date to become familiar with the qualification requirements, scope of work and proposal content requirements. Conference attendees are encouraged to have their copy of this RFP available for viewing during the conference.

Refer to the RFP section entitled "Proposal Questions" for instructions on how to submit written questions and inquiries before the conference date.

If CDHS is unable to respond to all inquiries received before and/or during the conference, CDHS will provide written answers shortly thereafter. CDHS reserves the right to determine which inquiries will be answered during the conference and which will be answered later in writing.

After the conference, CDHS will summarize all general questions and issues raised before and during the conference and mail, email, or fax the summary and responses to all persons who received this RFP and to those who attended/participated in the conference. If an inquiry appears to be unique to a single firm or is marked "Confidential", CDHS will mail, email or fax a response only to the inquirer if CDHS concurs with the inquirer's claim that the inquiry is sensitive or proprietary in nature. If CDHS does not concur, the inquiry will be answered in the manner described herein and the inquirer will be so notified. Inquires and/or responses that CDHS agrees should

be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, CDHS may consolidate and/or paraphrase similar or related inquiries.

Conference attendees are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to CDHS or included in any cost element of a Proposer's price offering.

For driving and parking instructions, see Appendix 6

## **G. Reasonable Accommodations**

For individuals with disabilities, CDHS will provide assistive services such as sign-language interpretation, real-time captioning, note takers, reading or writing assistance, and conversion of Pre-Proposal Conference handouts, Request for Proposal, questions/answers, RFP Addenda, applicable library materials, or other Administrative Notices into Braille, large print, audiocassette or computer disk. To request such services or copies in an alternate format, please call the number below no later than August 5, 2007, to arrange for reasonable accommodations.

Michele DeGuzman  
Office of Medi-Cal Procurement  
Program telephone number: (916) 552-8006  
(TTY) California Relay telephone number: 711-1-800-735-2929

NOTE: The range of assistive services available may be limited if requests are received less than ten State working days prior to the conference date or requestors cannot allow ten or more State working days prior to date the alternate format material is needed.

## **H. Voluntary Letter of Intent and Request for Inclusion on Mailing List**

### **1. Voluntary Letter of Intent – General Information**

Prospective Proposers are asked to voluntarily indicate either their intention to submit a proposal or to indicate the reason(s) for not submitting a proposal. Failure to submit a Letter of Intent will not affect the acceptance of any proposal. The Letter of Intent is not binding and prospective Proposers are not required to submit a proposal merely because a Letter of Intent is submitted. **Use the Voluntary Letter of Intent (Attachment 14) for this purpose.**

### **2. Submitting the Letter of Intent**

Regardless of the delivery method, the Voluntary Letter of Intent must be received by 4:00 p.m. on TBA

Submit the Letter of Intent using one of the following methods.

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
Letter of Intent RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Letter of Intent RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814
<b>Fax:</b>	
Letter of Intent RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement Fax: (916) 440-7369	

Proposers transmitting a Letter of Intent by fax are responsible for confirming the receipt of the faxed Letter of Intent by the stated deadline.

Call Michele DeGuzman at (916) 552-8006 to confirm faxed transmissions.

### 3. Request for Inclusion on Mailing List – General Information

CDHS recognizes that not all Interested Parties are interested in continuing to receive updates about this RFP. In addition, printing and mailing updates to all Interested Parties on the mailing list is costly to CDHS. Therefore, CDHS will continue to provide automatic updates about this RFP only to prospective Proposers who have provided a mandatory Request for Inclusion on Mailing List form, **Attachment 15**. Regardless of delivery method, this form is due by 4:00 p.m. on TBA.

It is incumbent upon any Proposer who has not submitted the Request for Inclusion on Mailing List form, but intends to bid on this contract, to monitor the website at <http://www.dhs.ca.gov/omcp> for any administrative bulletins and/or RFP addenda updates to the RFP.

A Proposer may also call Michele DeGuzman at (916) 552-8006 to request any administrative bulletins and/or RFP addenda updates to the RFP.

### 4. Submitting a Request for Inclusion on Mailing List

Submit the Request for Inclusion on Mailing List form using one of the following methods described in H.2.

## 5. Proposer Warning

- a. CDHS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the Letter of Intent and/or Request for Inclusion on Mailing List is mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to arrange for Letter of Intent and/or Request for Inclusion on Mailing List pickup and receipt issuance.
- c. Courier service personnel must sign-in at the security station. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to have appropriate staff collect the Letter of Intent and/or Request for Inclusion on Mailing List and to issue a receipt.

For driving and parking instructions, please review Appendix 6.

## I. Scope of Work

See Exhibit A entitled, "Scope of Work" that is included in the Sample Contract Forms and Exhibits section of this RFP. Exhibit A contains a detailed description of the services and work to be performed as a result of this procurement. Proposal responses must demonstrate how all Scope of Work requirements will be met or exceeded.

## J. Qualification Requirements

Failure to meet the following requirements by the proposal submission deadline will be grounds for CDHS to deem a proposer non-responsive. Evaluators may choose not to thoroughly review or score proposals that fail to meet these requirements. If the Proposer is a subsidiary of another business entity and the proposal relies in part on the business experience of that entity, these requirements of the RFP shall apply to the other business entity as well. In submitting a proposal, each Proposer must certify and prove that it possesses the following qualification requirements. A Proposer may demonstrate the requisite qualifications through the combined qualifications of the Proposer and its subcontractor's (including independent consultants) qualifications. The Proposer shall identify areas that they are responsible for along with the areas their subcontractor(s) and independent consultant(s) are responsible for along with the qualifications for each of those areas of responsibility.

1. Proposers must have at least three consecutive years of relevant prior experience within the past five years, which is similar to the work contemplated by this RFP, and which demonstrates the Proposer's ability to perform such work. It is possible to attain the experience types listed below during the same time period. Such experience may consist of a combination of experience either by the Proposer, or by a parent corporation of the Proposer, or the relevant work experience of the

management team, or the relevant experience of a subcontractor (including independent consultant). If the prior experience and demonstrated ability requirements are to be met in whole or in part by the experience of subcontractors (including independent consultants), documentation of the subcontractor's experience and ability must be formally submitted and accepted as part of the Proposer's narrative proposal. Proposers should possess experience in preparing statements of actuarial opinions supported by actuarial reports, statements of actuarial review, and actuarial documentation in the area of health care benefit costs and managed care capitation rates. For the purpose of this RFP, health care benefits are defined as one or more of the following: hospital inpatient services, hospital outpatient services, physician services, specialist services, prescription drugs, dental care, vision care, long-term care, and similar benefits.

2. Proposers must certify they have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits.
3. **[Corporations]** Corporations must certify they are in good standing and qualified to conduct business in California.
4. **[Nonprofit Organizations]** Nonprofit organizations must certify their eligibility to claim nonprofit status.
5. Proposers must have a past record of sound business integrity and a history of being responsive to past contractual obligations.
6. Proposers must certify they are financially stable and solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State. If the Proposer is a subsidiary of a corporation, the corporation must provide a financial guaranty executed by a dually authorized officer of that corporation.
7. Proposers must certify their proposal response is not in violation of Public Contract Code (PCC) Section 10365.5 and, if applicable, must identify previous consultant services contracts that are related in any manner to the services, goods, or supplies being acquired in this solicitation. Detailed requirements are outlined in **Attachment 8**.

PCC Section 10365.5 generally prohibits a person, firm, or subsidiary thereof that has been awarded a consulting services contract from submitting a bid for and/or being awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of a consulting services contract.

PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than 10 percent of the total monetary value of the consulting services agreement. Consultants and employees of a firm that provides consulting advice under an



original consulting contract are not prohibited from providing services as employees of another firm on a follow-on contract, unless the persons are named contracting parties or named parties in a subcontract of the original contract.

PCC Section 10365.5 does not distinguish between intentional, negligent, and/or inadvertent violations. A violation could result in disqualification from bidding, a void contract, and/or imposition of criminal penalties.

8. Proposers must either achieve actual Disabled Veteran Business Enterprise (DVBE) participation **or** make an adequate Good Faith Effort (GFE) to meet the DVBE participation requirements. Detailed requirements are outlined in **Attachment 9** (DVBE Instructions/Forms).
9. Proposers must certify and submit proof that no prohibited conflict of interest exists as instructed on **Attachment 13**, Conflict of Interest Compliance Certificate. **Any of the following instances would be considered a potential “conflict of interest”, including, but not limited to any instance in the past, present or future:**
  - a) Where the Contractor or any subcontractor (including independent consultant) contracts with any Medi-Cal managed care health plan, provider, or billing agent for Medi-Cal services.
  - b) Where the Contractor has an Interest in a Medi-Cal managed care health plan, provider, or billing agent or Medi-Cal services.
  - c) Where the Medi-Cal managed care health plan, provider, or billing agent for Medi-Cal services has an Interest in the Contractor.
  - d) Where a Contractor’s officer, director or employee, or a spouse or dependent child, is employed by a Medi-Cal managed care health plan, provider, or billing agent for Medi-Cal services or has an Interest in a Medi-Cal managed care health plan, provider, or billing agent for Medi-Cal services.
  - e) Where pursuant to the Political Reform Act (Government Code Section 87100-87500), a CDHS official has an economic interest in the Contractor and the official makes, participates in the making of, or uses his or her official position to influence the making of a decision involving Contractor, where it is reasonably foreseeable that the decision could materially affect the official’s economic interest.
  - f) Where pursuant to Government Code Section 1090 et seq., a CDHS official participates in the making of a contract with Contractor and the official is financially interested in the contract.

## **K. Proposal Format and Content Requirements**

### **1. General Instructions**

- a. Each firm or individual may submit only one proposal.

For the purposes of this paragraph, “firm” includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one proposal, CDHS will reject all proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime contractor may be named as a subcontractor in another proposer’s proposal. Similarly, more than one proposer may use the same subcontractors and/or independent consultants.

- b. Develop proposals by following all RFP instructions and/or clarifications issued by CDHS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting a proposal, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood. You assume the risk that your proposal may be rejected for failure to follow a rule or requirement, which CDHS interprets different than you did in preparing your proposal.
- d. In preparing a proposal response, all narrative portions should be straightforward, detailed and precise. CDHS will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.
- e. Arrange for the timely delivery of the proposal package(s) to the address specified in this RFP. Do not wait until shortly before the deadline to submit the proposal.

### **2. Format Requirements**

- a. Submit one (1) original proposal, five (5) copies or sets and one (1) CD-ROM of the proposal in any CDHS standard platform (i.e., Word, Excel or PDF formats). The CD-ROM must be identical to, and contain everything included in, the proposal hard copy.
  - 1) Write “Original” on the original proposal set.
  - 2) Each proposal set must be complete with a copy of all required attachments and documentation.

- 3) Proposals shall be submitted in full, bound sets under sealed cover, e.g., proposal set 1 shall be packaged as a complete set rather than having all five copies of binder 1 packaged together.
- 4) Each box must be identified as follows:

NARRATIVE PROPOSAL FOR THE  
ACTUARIAL RATE DEVELOPMENT PROJECT  
RFP #07-65142  
Original Set (or Set 1 of 5, Set 2 of 5, etc.)  
Box 1 of X (number of boxes needed for each set), etc.
- b. Format the narrative portions of the proposal as follows:
  - 1) Use one-inch margins at the top, bottom, and both sides.
  - 2) Use a font size of not less than 11 points.
  - 3) Print pages single-sided on white bond paper.
  - 4) Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.
- c. Bind each proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.
- d. All RFP attachments that require a signature must be signed in ink, preferably in a color other than black.
  - 1) Have a person who is authorized to bind the proposing firm sign each RFP attachment that requires a signature. Signature stamps are not acceptable.
  - 2) Place the originally signed attachments in the proposal set marked "Original".
  - 3) The RFP attachments and other documentation placed in the extra proposal sets may reflect photocopied signatures.
- e. Do not mark any portion of the proposal response, any RFP attachment, or other item of required documentation as "Confidential" or "Proprietary". CDHS will disregard any language purporting to render all or portions of a proposal confidential.

### 3. Content Requirements

This section specifies the order and content of each proposal. Assemble the materials in each narrative proposal set in the following order:

a. **Proposal Cover Page**

A person authorized to bind the Proposer must sign the Proposal Cover (**Attachment 1**). If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.

b. **Narrative Proposal Transmittal Letter**

The Narrative Proposal Transmittal Letter shall be on the official business letterhead of a Proposer and shall be signed by an individual authorized to legally bind the Proposer. The letter shall include:

- 1) Identification of all materials and enclosures being forwarded as a response to the RFP.
- 2) The name, title, mailing address, email address, and telephone and fax numbers of a liaison person(s) whom CDHS may contact during the evaluation period.
- 3) A statement indicating the legal form of the Proposer.
- 4) A statement indicating how the Proposer meets the prior experience and demonstrated ability requirements identified in the Qualification Requirements Section, RFP Section J.1. If these requirements are to be met using a subcontractor (including an independent consultant), a Subcontractor/Independent Consultant Letter of Agreement (see RFP Section K.3.h.(4) from each subcontractor must be appended to the transmittal letter.
- 5) A statement by the Proposer that any subcontractual relationships submitted in the proposal shall not be changed during the procurement process or during the life of the contract without prior written permission from CDHS.
- 6) A statement that neither cost nor pricing information is included in this letter or the narrative proposal.
- 7) A statement indicating that the Proposer has no affiliates (see the definition of affiliates in Appendix 1, Glossary of Terms), or if the Proposer has affiliates, provide a statement containing the following information:
  - a) The name and address of all affiliates of the Proposer.
  - b) The names and addresses of all persons and concerns exercising control or ownership of the Proposer and any or all of its affiliates, and whether they exercise such control or ownership as common officers, directors, stockholders holding controlling interest, or otherwise.
- 8) A statement that the proposal is complete as submitted.

- 9) A statement acknowledging that all costs associated with the development and submission of a proposal in response to this RFP are entirely the responsibility of the Proposer and will not be chargeable to the State of California or included in any cost elements of the proposal.

c. **Table of Contents**

Properly identify each section and the contents therein. Paginate all items in each section with the exception of those items placed in the Forms Section and Appendix Section.

d. **Executive Summary Section**

This section must not exceed three (3) pages in length. Evaluators may not review or evaluate excess pages.

In preparing the Executive Summary, do not simply restate or paraphrase information in this RFP. Describe or demonstrate, in the Proposer's own words, the following information.

- 1) An understanding of CDHS' needs and the importance of this project.
- 2) A sincere commitment to perform the scope of work in an efficient and timely manner.
- 3) How this project will be effectively integrated into the proposing firm's current obligations and existing workload.
- 4) Why the proposing firm should be chosen to undertake this work at this time.

e. **Agency Capability Section**

- 1) Include a brief history of the proposing firm, including:
  - a) Date of establishment. If applicable, explain any changes in business history or organizational structure that will assist CDHS in determining the qualifications of the proposing firm.
  - b) A description of the proposing firm's goals that are relevant, closely related, or will complement this project.
  - c) Indicate any relevant past experience with Medicaid and/or Medicare.
- 2) Describe experience that qualifies the proposing firm to undertake this project. At a minimum, demonstrate that the proposing firm possesses three consecutive years of experience of the types listed in this section. All experience must have occurred within the past five years. It is possible to attain the experience types listed below during the same time period. Proposers must have experience or knowledge in the following areas:

- a) Providing an independent analysis and review of statements, reports, and valuations on actuarial and statistical data, and providing actuarial opinions on areas such as, but not limited to, level of capitation rates, reserves, medical provider reimbursement, demographic adjustments or other relevant factors.
- b) Preparing reports and other correspondence of proposed actions and recommendations in the area of capitation rate methodology as it relates to Medicare and/or Medicaid managed care programs.
- c) Developing and maintaining automated databases to facilitate analyses of issues in rate development, implementation and monitoring, and serving as the foundation of an evidentiary base to support potential issue statements, arguments, and proposals. The database should consist of relevant economic, accounting, financial, operational, rate, demographic, and claim-based information, including but not limited to selected data from managed care plans, Medicaid and/or Medicare data, provider-based paid claims and raw data files, nursing home and hospital financial disclosure and cost reports, and other selected State and non-State sources.
- d) Constructing and updating an automated model of one or more managed care capitation rate methodologies for various providers, including but not limited to physician, pharmacy, long-term care, hospital, and outpatient facilities for the purpose of analyzing individual reimbursement variables (e.g., geographic location, inflation, eligibility, trend, utilization, national and regional factors, excluded services, administrative cost) and their relative impact on the total reimbursement system.
- e) Analyzing rate cell alternatives for identification of various population groupings (e.g., age/gender, or by Medicaid eligibility).
- f) Assessing compliance of rate methods and applications with federal and State laws, rules, and regulations on reimbursement and budget related issues.
- g) Developing pricing specific to stop-loss insurance and reinsurance.
- h) Analyzing inflation and economic trends. Examining several years of inflation trends, with an emphasis on medical services, and providing alternative trend models.
- i) Analyzing different types of rate methodologies and models used by governmental and/or commercial entities.

- j) Analyzing the financial statement data of managed care plans or designated classes of providers, with a specific focus towards relevant issues affecting rate methodologies.
  - k) Analyzing encounter data.
  - l) Analyzing rate methodologies for compliance with the Centers for Medicare and Medicaid Services (CMS) Rate Checklist (Appendix A. PAHP, PIHP, and MCO Contracts-Financial Review Documentation for At-risk Capitated Contracts Ratesetting). See Appendix 7 of this RFP for a copy of this document.
  - m) Providing expert testimony on capitation rate methods and providing opinions on court documents, discovery materials, and other relevant materials used in court proceedings.
- 3) Briefly, describe the accounts or work projects begun and/or completed in the past three years that involved services similar in nature or closely related to the Scope of Work in this RFP. For each account or project listed, include the following information:
- a) Name of agency or firm for whom services were performed,
  - b) Duration or length of the project,
  - c) Total cost or value of the project,
  - d) Indicate if the account or project is “active/open” or “closed/settled”,
  - e) Describe briefly the type and nature of the services you performed.
- 4) Briefly describe any experience that demonstrates the proposing firm's ability to establish and maintain effective working relationships with government entities, local community based organizations, and private nonprofit organizations.
- 5) Identify three client references serviced within the past five years that can confirm their satisfaction with the Proposer's services and confirm that the Proposer provided timely and effective services or deliverables. Use the Client References (**Attachment 4**) for this purpose. **Place the completed Client References form in the Forms Section of the proposal.**

f. **Work Plan Section**

1) **Overview**

- a) CDHS is interested in proposals that provide well-organized, comprehensive and technically sound business solutions. Vague explanations will undermine the proposer's firm's credibility and will result in reduced proposal scores.

- b) The Work Plan must include an in-depth discussion and description of the methods, approaches and step-by-step actions that will be carried out to fulfill all services described in the Scope of Work requirements.
- c) If the nature of a task or function hinders specific delineation of in-depth methods and procedures (e.g., a task is dependent upon future action or multiple approaches may be used), explain the probable methods, approaches or procedures that will be used to accomplish the task or function. Also, describe, in this instance, how the proposing firm will propose the ultimate strategies and detailed plans to CDHS for full consideration and approval before proceeding to carry out the project.

## **2) Rejection of Tasks, Activities or Functions**

- a) If full funding does not become available, is reduced, or CDHS determines that it does not need all of the services described in this RFP; CDHS reserves the right to offer an amended contract for reduced services.

## **3) Work Plan Content**

- a) Briefly, explain or describe the overall approach and/or methods that will be used to accomplish the Scope of Work (SOW).
- b) Explain why the particular approaches and methods that are proposed were chosen (e.g., proven success or past effectiveness, etc.).
- c) If applicable, explain what is unique, creative, or innovative about the proposed approaches and/or methods.
- d) If any major complications or delays are envisioned at any stage of performance, describe those complications or delays and include a proposed strategy for overcoming those issues. Likewise, indicate if no major complications or delays are anticipated.
- e) If, for any reason, the Work Plan does not wholly address each SOW requirement, fully explain each omission. Likewise, indicate if the Work Plan contains no omissions.

## **g. Management Plan Section**

- 1) Describe how the proposing firm will effectively coordinate, manage, and monitor the efforts of the assigned staff, including subcontractors and/or independent consultants, if any, to ensure that all tasks, activities and functions are completed effectively and in a timely manner.
- 2) Describe the fiscal accounting processes and budgetary controls that will be used to ensure the responsible use and management of contract funds and



accurate invoicing. Include at a minimum, a brief description of all of the following:

- a) How the project hours will be accounted for and billed to CDHS (e.g., time studies, other allocation methods, etc.).
  - b) Proposed billing or invoicing format and content (must comply with Exhibit B provisions). Proposed billing or invoicing frequency (not more frequently than once per month). Electronic billing is not possible. Invoice format and content are subject to CDHS approval. Award of this contract does not imply approval of invoice format or content.
  - c) Identify the documentation that will be retained on file or submitted to CDHS upon request to prove, support, and/or substantiate the billable hours that are invoiced to CDHS.
- 3) Include an organization chart. Instructions are explained in the Appendix Section. **Place the organization chart in the Appendix Section of the proposal.**
  - 4) Include financial statements. Instructions are explained in the Appendix Section. **Place the financial statements in the Appendix Section of the proposal.** Identify the resources and reserves maintained and the policies and procedures in place that will ensure that adequate funding is available to sustain operations in the event that payment for contracted services is delayed. Due to the State Budget process, payments for services performed after June 30 of any given year may be delayed until after the State Budget Bill is signed.

h. **Project Personnel Section**

- 1) In this section, describe your proposed staffing plan. In the staffing plan, include at a minimum:

CDHS understands that some firms/partnerships may use job titles that are different from the personnel classes listed on the Cost Proposal Form (refer to RFP section M.5). For the purposes of this RFP, bidders may list alternative job titles if these position requirements closely match the knowledge and responsibilities of the personnel class listed on the Cost Proposal Form. Please attach a short statement to the Cost Proposal Form, identifying 1) the title from the Cost Proposal Form that your firm does not use and 2) the title that your firm uses which you believe is equivalent to the title set forth in the Cost Proposal Form.

- a) Position titles for all proposed employees (persons on the proposing firm's payroll).
- b) Number of personnel in each position.

- c) By position, indicate the full time equivalent (FTE) or percentage of staff time devoted to this project (e.g., full time = 1.0,  $\frac{1}{2}$  time = .50,  $\frac{3}{4}$  time = .75,  $\frac{1}{4}$  time = .25, projected number of hours, if hourly, etc.).
- d) Include a job description or duty statement for each position title or classification that will perform work under this project. The job descriptions must indicate the typical tasks and responsibilities that will be assigned to the position and may include desired or required education and experience. **Place all job descriptions or duty statements at the end of the Project Personnel Section.**
- e) Identify by name and/or position title, each key staff person that will have primary responsibility for managing, supervising, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or independent consultants or that will exercise a major administrative, policy, or consulting role in carrying out the project work. (The position definitions for a Senior Health Care Actuary and Management Consultant are located in the Cost Proposal Submission Section of this RFP.) Clearly indicate who will maintain effective communications with CDHS (i.e., Project or Program Manager, Project or Program Director, Contract Manager, etc.).
  - i. Briefly, describe each person's expertise, capabilities and credentials.
  - ii. Emphasize any relevant past experience with Medicaid and/or Medicare projects on capitation rate methods.
  - iii. Emphasize any relevant past experience in other governmental projects (other than Medicaid/Medicare) on rate methods.
  - iv. Emphasize any relevant past experience in non-governmental projects on capitation rate methods.
- f) Include a 1-2 page resume for each key staff person listed above. **Place staff resumes in the Appendix Section.** To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- g) Identify by name all Health Care Actuaries (position definitions for a Health Care Actuary is located in the Cost Proposal Submission Section of this RFP) not identified in (e) above that may perform work under this project. Please include a dated verification from the Society of Actuaries website (<http://www.soa.org>), which shows the actuary is in good standing. If the individual is not listed on the website, provide an explanation as to why he or she is not included and provide any supplemental information (e.g., membership certificates) necessary to verify his or her good standing as

an actuary. CDHS intends to check the Society of Actuaries website to confirm that the proposed Senior Health Care Actuaries and Health Care Actuaries are in good standing.

- h) Identify by name and position title all Management Consultants not identified in (e) above (position definitions for a Management Consultant is located in the Cost Proposal Submission Section of this RFP) that may perform work under this project.
  - i) CDHS reserves the right to approve or disapprove of changes in Key Personnel that occur after CDHS awards the contract
- 2) Briefly, describe the administrative policies or procedures that will be used to ensure that the proposing firm will recruit and select well-qualified, competent, and experienced in-house staff, subcontractors and/or independent consultants.
- a) If employee recruitment/selection policies or procedures are present in an operations manual, Proposers may cite excerpts from such manuals. Do not simply indicate that such policies exist and do not attach copies of any policies or manuals to the proposal. If deemed necessary, CDHS may request copies of the Proposer's existing manuals or policies.
- 3) Briefly, describe the processes or procedures that will be used to ensure that vacancies are filled expeditiously and that services are continued despite the presence of vacancies.
- 4) CDHS reserves the right to approve or disapprove the selection of a subcontractor. Subcontracts of \$5,000 or more are subject to the prior review and written approval of CDHS. If subcontractors (including independent consultants) for actuarial or financial consulting services will be used to perform contract services, Proposers must provide the following information on the subcontractors at the time of proposal submission:
- a) Indicate if the Proposer has pre-identified any firms/persons to perform the work or if the Proposer will recruit them later.
    - i. For each pre-identified subcontractor and independent consultant include:
      - A. Full legal name.
      - B. A job description or duty statement that outlines the duties and functional responsibilities that will be assigned to the subcontracted firm or independent consultant.
      - C. A brief explanation as to why the subcontracted firm or independent consultant was chosen. Stress details such as applicable skills,

knowledge, capabilities, past experience or accomplishments, availability, reasonableness of rates, notoriety in a field or specialty, etc.

- D. For actuarial services, please include a dated verification from the Society of Actuaries website that shows the actuary is in good standing. If the individual is not listed on the website, provide an explanation as to why he or she is not included and provide any supplemental information (e.g., membership certificates) necessary to verify his or her good standing as an actuary.
- E. A 1-2 page resume for each pre-identified subcontractor and independent consultant. **Place all subcontractor and/or consultant resumes in the Appendix Section.** To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- F. Please describe the subcontractors and/or independent consultants background and include all relevant sections as delineated in Section K.3.e.
- G. A letter of agreement, signed by an official representative of each subcontract firm or independent consultant. **Place all subcontractor and/or consultant letters of agreement in the Appendix Section.**

**Specific subcontractor and/or independent consultant relationships proposed in response to this RFP (i.e. identification of pre-identified subcontractor or independent consultants) shall not be changed during the procurement process or prior to the contract execution.** The pre-identification of a subcontractor or independent consultant does not affect CDHS' right to approve personnel or staffing selections or changes made after the contract award.

- ii. For subcontractors and/or independent consultants that cannot be identified when the proposal is submitted to CDHS or are to be determined after the contract is executed include:
  - A. An identification of the functions, activities, and responsibilities that will be assigned to each subcontractor and/or independent consultant.
  - B. A description of the process that will be used to obtain CDHS approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

i. **Facilities and Resources Section**

Describe the following as it relates to the Proposer's capacity to perform the scope of work:

- 1) Current office facilities at the Proposer's disposal including number of offices owned or leased, square footage, number of staff housed and physical location or address.
- 2) Current support services and office equipment capabilities immediately available and/or accessible for use in carrying out the proposed scope of work. Include such details as, but not limited to:
  - a) A description of the range and/or type of support services available and number of staff.
  - b) Messenger, delivery, shipping, distribution, or transport capabilities.
  - c) Teleconferencing or telecommunications capabilities.
  - d) Printing/reproduction or photocopying capabilities.
  - e) Computer hardware and system capabilities (i.e., number, type, size, age, capacity and speed of personal computers or work stations and servers; Local Area Network capabilities, Wide Area Network capabilities; data transfer capabilities (disk or tape), data storage capacity, video/graphics capabilities, etc.).
  - f) Software applications in use (word processing applications, spreadsheet applications, data base applications, graphics development applications, Web page design applications, unique or other specialized software applications, etc.).
  - g) Other support functions or capabilities that can be accessed and/or utilized.
- 3) Identify any facilities, support services or equipment that you must purchase, rent or lease on a long or short-term basis to perform the services described in this RFP. **Please note: CDHS will not reimburse equipment purchases under the resulting contract.**
- 4) Describe your policies and procedures (in place) to appropriately secure, store and maintain the sensitive and confidential data that may be provided by or accessed through the CDHS and/or contracted managed care plans during the term of the resulting contract. See Exhibit E, Additional Provisions, for information regarding unauthorized disclosures and confidentiality.

j. **Appendix Section**

Place the following documentation in the Appendix Section of the proposal in the order shown below.

1) **Proof of Corporate Status**

If the Proposer is a Corporation, submit **either** a copy of the proposing firm's most current Certificate of status issued by State of California, Office of the Secretary of State **or** submit a downloaded copy of the proposing firm's on-line status information from the California Business Portal website of California's Office of the Secretary of State. Include an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of the proposing firm's Bylaws or Articles of Incorporation.

2) **Proof of Nonprofit Status**

Nonprofit organizations must prove they are legally eligible to claim "nonprofit" and/or tax-exempt status by submitting a copy of an IRS determination letter indicating nonprofit or 501 (3)(c) tax-exempt status. Submit an explanation if this documentation cannot be supplied.

3) **An Organization Chart**

The organizational chart must show the lines of authority and reporting relationships within the Proposer's organization including the relationship between management and subcontractors and/or independent consultants, if any. Specify locations and reporting relationships for the project activities. These charts must also show any related parties, affiliates, parent companies and ownership of subcontracting entities.

4) **Financial Statements**

Submit copies of financial statements for the past two years or most recent twenty-four (24) month period.

- a) Annual income statement(s), and
- b) Quarterly **or** annual balance sheets.

Audited statements are preferred, but not required. If audited financial statements are supplied, all noted audit exceptions must be explained. CDHS will accept financial statements prepared by a Proposer's financial accounting department, accounting firm or an auditing firm. A statement signed by a Proposer's Chief Financial Officer certifying that the financial statements are accurate and complete must accompany all financial statements.

## 5) **Staff Resumes**

Resume specifications appear in the Project Personnel Section. To the extent possible, resumes should not exceed 1-2 pages in length per person and must not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

## 6) **Subcontractor/Consultant Resumes**

Submit a resume for each pre-identified subcontractor or independent consultant, if any, as discussed in the Project Personnel section. To the extent possible, resumes should not exceed 1-2 pages in length and should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.

## 7) **Subcontractor/Consultant Letters of Agreement**

For each pre-identified subcontractor or independent consultant that will be used to perform services under the resulting contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or independent consultant, indicating his or her acknowledgement of being named as a subcontractor or consultant, his or her availability to work on this project and acknowledgement that he or she have read or been made aware of the proposed contract terms, conditions and exhibits. Include an explanation if a letter of agreement cannot be obtained from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

## 8) **Attestations**

- a) An attestation that this contract will be a high priority to the Proposer and that the Proposer is committed to supplying any necessary resources to meet its contractual obligations
- b) An attestation from each subcontractor (including independent consultants), if any, that this contract is of high priority to the subcontractor and that the subcontractor is committed to supplying any necessary resources to assure full performance of the contract.
- c) An attestation from each parent organization, if any, that this contract is of high priority to the parent organization and that the parent organization is committed to supplying any necessary resources to assure full performance of the contract.

k. **Forms Section**

Complete, sign and include the forms/attachments listed below. When completing the attachments, follow the instructions in this section and any instructions appearing on the attachment. After completing and signing the applicable attachments, assemble them in the order shown below.

<b>Attachment #, Name, or Documentation</b>	<b>Instructions</b>
2 - Required Attachment/ Certification Checklist	1) Check each item with “Yes” or “N/A”, as applicable, and sign the form. If necessary, explain the choices.  2) If a Proposer marks “Yes” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, CDHS considers this a “qualified response”. Any “qualified response”, determined by CDHS to be unsatisfactory or insufficient to meet a requirement, may cause a proposal to be deemed non-responsive.
3 - Business Information Sheet	Completion of the form is self-explanatory.
4 - Client References	Identify three (3) clients you have serviced within the past five years that can confirm their satisfaction with your services and confirm that the Proposer provided timely and effective services or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.
5 - RFP Clause Certification	Complete and sign this form indicating your willingness and ability to comply with the contract certification clauses appearing in the RFP section entitled, “Bidding Certification Clauses”.



Attachment #, Name, or Documentation	Instructions
6 - CCC 307 -Certification	Complete and sign this form indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment. The attachment supplied in this bid represents only a portion of the contractor information in this document. Visit this web site to view the entire document: <a href="http://www.ols.dgs.ca.gov/Standard+Language/default.htm">http://www.ols.dgs.ca.gov/Standard+Language/default.htm</a>
7 - Payee Data Record	Complete and return this form, <u>only</u> if the proposing firm has not previously entered into a contract with CDHS. If uncertain, complete and return the form.
8 - Follow-on Consultant Contract Disclosure	Complete and sign this form. If applicable, attach to this form the appropriate disclosure information.
9a - Actual DVBE Participation and applicable DVBE certification(s) <b>and/or</b> 9b - Good Faith Effort with required documentation	Read and carefully follow the completion instructions in Attachment 9. Attach the documentation that is required for the form(s) that are submitted. One and/or both of these two forms may be required.
10a - Non-Small Business Subcontractor Preference Request  10b - Small Business Subcontractor/ Supplier Acknowledgement	<b>Submission of these forms is optional.</b> Read and carefully follow the completion instructions in Attachments 10, 10a, and 10b. Complete and return Attachments 10a and 10b <u>only</u> if the bidding firm is a not a certified small business but is requesting a subcontractor bidding preference by committing to use one or more certified small business subcontractors for an amount equal to at least 25% of the total bid price.
11 - Target Area Contract Preference Act (TACPA) Request	<b>Submission of this form is optional.</b> Complete and return this form, <u>only</u> if the proposing firm is based in California, <u>and</u> the total bid price is \$100,000 or more, <u>and</u> CDHS has not pre-set any part of the work location, <u>and</u> the Proposer wishes to apply for TACPA preference.

Attachment #, Name, or Documentation	Instructions
12 - Enterprise Zone Act (EZA) Preference Request	<b>Submission of this form is optional.</b> Complete and return this form, <u>only</u> if the proposing firm is based in California, <u>and</u> the total bid price is \$100,000 or more, <u>and</u> CDHS has not pre-set any part of the work location, <u>and</u> the Proposer wishes to apply for EZA preference.
13 – Conflict of interest Compliance Certificate	<p>Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in this attachment. Complete, sign, and attach any required documentation according to the instructions in the attachment.</p> <p>In the event a Proposer has a suspected or potential conflict relationship, the Proposer must provide a written statement to CDHS that describes what relationship it has with the entity in question, and its plan for protecting CDHS from any potential conflict or negative impact.</p>
14 – “Voluntary” Letter of Intent	This is a non-binding Letter of Intent whose purpose is to assist CDHS in determining the staffing needs for the proposal evaluation process and to improve future procurements (refer to RFP Section H.1).
15 – Request for Inclusion on Mailing List	This is a mandatory request form, which will allow CDHS to continue to provide your firm with the automatic updates to this RFP (refer to RFP Section H.3).

## L. Proposal Submission

### 1. General Instructions

- a. Assemble the Original Set, five (5) copies and one (1) CD ROM of your narrative proposal according to the instructions in RFP Section K.2. Assemble the Original Set, five (5) copies and one (1) CD ROM of your cost proposal according to the instructions in RFP Section M.2.
- b. Package your narrative proposal as instructed in RFP Section K.2. Package your cost proposal as instructed in RFP Section M.2.
- c. Mail or arrange for hand delivery of your proposal (both narrative and cost) to CDHS at the address specified below. Do not wait until shortly before the deadline to submit your proposal. Proposals may not be transmitted electronically by fax or e-mail.

- d. The OMCP must receive your narrative proposal and your cost proposal, regardless of postmark or method of delivery, by 4:00 p.m. Pacific Time on TBA
- e. Any narrative or cost proposals received after 4:00 p.m. on TBA will be rejected by CDHS as not being timely. There will be no exceptions to this policy.
- f. Late proposals will not be reviewed or scored. Proposals received after the deadline will be returned to the Proposer.
- g. It is the sole responsibility of the Proposer to ensure that the OMCP receives proposals by the required time and date.
- h. Label and submit your proposal to the following address using one of these methods.

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
<b>Proposal RFP 07-65142</b> Michele DeGuzman Actuarial Rate Development Project CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	<b>Proposal RFP 07-65142</b> Michele DeGuzman Actuarial Rate Development Project CA Department of Health Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814

**i. Proposer Warning**

- 1) CDHS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the Narrative and Cost Proposals are mailed, consider using certified or registered mail and request a receipt upon delivery.
- 2) For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to arrange for Narrative and Cost Proposal pickup and receipt issuance.
- 3) Courier service personnel must sign-in at the security station. Ask security personnel to call Michele DeGuzman at (916) 552-8006 to have appropriate staff collect the Narrative and Cost Proposals and to issue a receipt.

**2. Proof of Timely Receipt**

- a. Upon delivery of the Narrative and Cost proposals to the OMCP, each Proposer will be issued a receipt indicating the date and time the proposal was received. OMCP staff will log in your proposal and attach a date/time slip or bid receipt to each proposal package/envelope received. If a proposal envelope or package is

hand delivered, staff will give the proof of receipt to the hand carrier. If a proposal envelope or package is mailed, the OMCP staff will mail a receipt to the Proposer.

- b. To be timely, OMCP must receive each proposal at the stated delivery address no later than 4:00 p.m. on the proposal submission due date. Neither delivery to the CDHS mailroom or a U.S. Postal Service postmark will serve as proof of timely delivery.
- c. CDHS will deem late proposals non-responsive.

### **3. Proposer Costs**

Proposers are responsible for all costs of developing and submitting a proposal. Such costs cannot be charged to CDHS or included in any cost element of a Proposer's price offering.

## **M. Cost Proposal Submission**

### **1. General Instructions**

- a. Each Proposer shall submit only one cost proposal. If a Proposer submits more than one version of the cost proposal, all cost proposals from that Proposer will be rejected.
- b. Develop cost proposals by following all RFP instructions and/or clarifications issued by CDHS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting your cost proposal, seek timely written clarification of any requirements or instructions that you believe to be vague, or unclear, or that you do not fully understand. The Proposer assumes the risk that its proposal may be rejected for failure to follow a rule or requirement that CDHS interprets differently than you did in preparing your proposal.
- d. Arrange for the timely delivery of your cost proposal to the address specified Section L.1. of this RFP. Do not wait until shortly before the deadline to submit the cost proposal. The cost proposal is to be submitted at the same time the narrative proposal is submitted.

### **2. Format Requirements**

- a. Submit one (1) original proposal, five (5) copies or sets, and one (1) CD-ROM of the cost proposal.
- b. Clearly label the original hard copy "Original Set".

- c. The outside of each box containing the cost proposals shall be marked with the name of the Proposer and shall be labeled:

COST PROPOSAL FOR THE  
ACTUARIAL RATE DEVELOPMENT PROJECT  
RFP 07-65142

### 3. Cost Proposal Transmittal Letter

The Proposer shall write a Cost Proposal Transmittal Letter to transmit the cost proposal to CDHS.

The Cost Proposal Transmittal Letter shall be a business letter using a standard business format from the legal entity that would be the Contractor. The letter should be brief, and signed by a person(s) authorized to legally bind the Proposer to the cost proposal. The letter shall:

- a. Identify all materials and enclosures being forwarded in response to the cost proposal requirements in the RFP.
- b. Include a certification statement that the data submitted for the cost proposal is current, accurate and complete.
- c. Contain a statement that the Proposer is aware that all prices contained in the cost proposal's hourly bid rates are fixed prices, and will remain the same for the entire contract term.
- d. Attach the completed and signed Cost Proposal Form (**Attachment 16**). Please note that this form is not to be submitted as part of the narrative proposal.

### 4. Cost Proposal Form Instructions

- a. The Cost Proposal Form (**Attachment 16**) must be typewritten or completed in ink. Errors, if any, should be crossed out and corrections should be printed in ink or typewritten adjacent to the error. The person who signs the Cost Proposal should initial all corrections preferably in blue ink.
- b. On the Cost Proposal Form, indicate the billable rates for the positions specifically identified on the form.
- c. When completing the Cost Proposal Form, include all estimated costs to perform the services for the entire term, including applicable annual rate adjustments attributable to merit increases, profit margins, and inflation or cost of living adjustments.
- d. All costs for a Specific Position indicated on the Cost Proposal Form should be included in the position's billable rate. Any applicable personnel not specifically

indicated on the Cost Proposal Form (i.e., management, clerical, support staff) should be factored into the indicated positions' billable rates.

## **5. Position Definitions**

The following positions are identified on the Cost Proposal form:

- a. **Senior Health Care Actuary:** This is a full professional level position. The individual must possess an associateship or fellowship in the Society of Actuaries or the Casualty Actuarial Society, and membership in the American Academy of Actuaries. The individual will be responsible for supervising or assuming lead responsibilities over actuarial statisticians and journey/professional level actuaries, and/or acts as a consultant or lead on the most complex and sensitive program issues. The Senior Health Care Actuary must be an expert in health care benefits, preferably in the Medicaid program, and has demonstrated success in managing a consulting unit or sizable client team; provides actuarial opinions and prepares statements, reports, and valuations of actuarial and statistical data relating to health care; may act as a manager or a lead over non-actuarial personnel; and prepares memoranda of proposed actions and recommendations based on actuarial applications and conclusions. The individual must have knowledge of managed care principles, and financial structures of various types of managed care companies.
- b. **Health Care Actuary:** This is a full professional level position. The individual must possess an associateship or fellowship in the Society of Actuaries or the Casualty Actuarial Society, and membership in the American Academy of Actuaries. Under direction of the Senior Health Care Actuary, the individual performs the actuarial work involved in the examination of health care related data, and provides valuations based on actuarial and statistical analysis; may act as a lead to non-actuarial personnel; and works under the direction of the Senior Health Care Actuary. The individual must have knowledge of managed care principles, and the different types of managed care models and their financial structures.
- c. **Management Consultant:** The individual must possess a working knowledge of the financial and operational aspects of the health care industry including managed care and Medicaid. The individual will typically provide analyses and recommendations, provide oral and written narratives, and attend briefings and meetings with actuaries and supervisory staff.

## **6. Escrow Bid Documents**

### **a. Scope**

- 1) The Contractor identified in the Notice of Intent to Award shall submit, within three (3) days after the posting of the Notice of Intent to Award, one (1) copy of all documentary information developed by the Contractor in preparation of bid prices for this procurement. This material is hereinafter referred to as

“Escrow Bid Documents.” The Escrow Bid Documents of the apparent successful bidder will be held in escrow for the duration of the contract. All other Contractors not identified in the Notice of Intent to Award shall be prepared to submit Escrow Bid Documents upon request of the State, in the event the contract is not awarded to the Contractor identified in the Notice of Intent to Award. Escrow Bid Documents will be used to assist in the negotiation for the settlement of claims, in the resolution of disputes, and in Change Order pricing. They will not be used for pre-award evaluation of the bidder’s anticipated method of operations or to assess the Contractor’s qualifications for performing the work.

- 2) The successful bidder agrees, as a condition of award of the contract, that the Escrow Bid Documents constitute all of the information used in preparation of the bid, and that no other bid preparation information will be considered in resolving claims. Nothing in the Escrow Bid Documents shall change or modify the terms or conditions of the contract.
- 3) If the bidder’s proposal is based on subcontracting any part of the work, each subcontractor (including independent consultants), whose total subcontracting price exceeds five percent (5%) of the total hourly rate as proposed by the bidder shall provide separate Escrow Bid Documents to be submitted with those of the bidder. These submittals will be examined in the same manner and at the same time as the examination of the submittals for the apparent successful bidder.

**b. Ownership and Confidentiality**

- 1) The Escrow Bid Documents are, and will always remain, the property of the bidder, subject only to joint review by the State and the Contractor.
- 2) The State stipulates and expressly acknowledges that the Escrow Bid Documents constitute trade secrets, and are proprietary and confidential.
- 3) The State agrees to safeguard the Escrow Bid Documents, and all information contained therein, against disclosure to the fullest extent permitted by law.

**c. Format and Contents**

Bidders may submit Escrow Bid Documents in their usual cost-estimating format. Escrow Bid Documents shall be adequate to enable complete understanding and proper interpretation for their intended use. Escrow Bid Documents shall clearly itemize the estimated costs of performing the work, for each level of work specified in the RFP (e.g., the generation of all required reports, estimates used to calculate the hourly rate for Consultative Services, etc.). Items shall be separated into sub-items as required to present a complete and detailed cost estimate and allow a detailed cost review. The Escrow Bid Documents shall include all labor costs, equipment costs, copies of quotations from subcontractors

(including independent consultants) and suppliers, and memoranda, narratives, consultant's reports, add/deduct sheets, and all other information used by the bidder to arrive at the billable rates contained in the Cost Proposal. Estimated costs shall be broken down into the bidder's usual estimate categories such as direct labor, equipment, equipment operations, expendable materials, and subcontract costs as appropriate. Plant and equipment and indirect costs shall be detailed in the bidder's usual format. The bidder's allocation of plant and equipment, indirect cost contingencies, markup and other items shall be included.

**d. Required Cost Justification/Documentation**

CDHS requires that a narrative of facts and information be included in the Escrow Documentation as required cost justification. While these issues may be explained in the normal course of preparing the Escrow Statement, CDHS wishes to be assured that these points are discussed and explained, if applicable. In addition to any other information you have already supplied, the narratives are to explain the general structure, business practices and assumptions made in preparing the cost proposal, as applicable. Include or identify as provided any source documentation required to support the narrative.

The following narrative information must be provided as part of the Escrow Document:

- 1) Discuss the methods used to determine that an appropriate rate of compensation has been used in constructing the bid proposal.
- 2) Discuss the methods used to determine that the appropriate number of staff, at the appropriate level of job skills, have been established and used in building the cost proposal.
- 3) Discuss the infrastructure of the Contractor's firm and/or business arrangements, which can support a project of this size.
  - a) Address the Contractor's facilities to be used, their location(s) and their ability to meet the requirements in the contract.
  - b) If additional facilities are needed, how are these facility costs budgeted and how do these costs affect your cost proposal.
  - c) Discuss the location of your staff and the effect their location will have on the cost of travel as it affects your cost proposal. Clearly indicate if your budget would include travel expenses greater than \$50,000.
    - i. If projected travel expenses are greater than \$50,000, explain what steps Contractor's firm took to limit the impact of travel on your cost proposal.



- ii. Travel reimbursement generally may not exceed the current rates paid to non-represented State employees (see Exhibit G for additional information.) Expenses exceeding current State rates must be explained and justified. State employees receive discounted lodging rates in many areas. In justifying per diem costs, indicate if you do not have access to discounted rates.
- iii. No meetings, conferences or training, where CDHS staff participates, will be held outside of California. The Contractor should anticipate that the majority of the meetings with CDHS staff, if not all, will be held in CDHS offices located in Sacramento, California.

**d) Equipment**

- i. Minor equipment is defined as a tangible or intangible item with a base unit cost of less than \$5,000 and a life expectancy of one year or more and is on CDHS' Minor Equipment List and that is purchased or reimbursed with agreement funds.
- ii. Major equipment is defined as a tangible or intangible item with a base unit cost of \$5,000 or more and a life expectancy of one year or more that is purchased or reimbursed with agreement funds.
- iii. CDHS will not reimburse equipment purchases under the resulting contract.

**e) Indirect Cost**

- i. Discuss the cost allocation methodology used to determine the indirect cost amounts included in this Cost Proposal.
- ii. If parent company or subsidiary company costs are included in the indirect cost amount, provide a description of the services received from the Contractor's parent company or subsidiary company. The description should include, but not be limited to, the company name, relationship to Contractor, services provided, costs included in the Cost Proposal, and cost allocation methodology.

**f) Subcontractor/Independent Consultant Use and Fees/Rates and Costs.**

- i. Discuss the necessity of using each subcontractor and/or independent consultant. Explain what contributions their services and expertise will add to this project.
- ii. For subcontractors (including independent consultants), explain how the Contractor determined the amount(s) to budget for each proposed subcontracted activity or function.

**e. Submittal**

- 1) The Escrow Bid Documents shall be submitted by the apparent successful bidder in a sealed container. The container shall be clearly marked on the outside with the Contractor's name, date of submittal, procurement identification, and the words "Escrow Bid Documents."
- 2) The Escrow Bid Documents shall be accompanied with an index to inventory the contents of the submittal, and the Bid Documentation Certification (Exhibit E-1) signed by an individual authorized by the Contractor to execute the price proposal.
- 3) Prior to award, only the index to the Escrow Bid Documents of the apparent successful bidder will be examined by the representatives of CDHS. This examination is to ensure that the index is detailed and complete, and conforms to the format and content requirements set forth herein. If all the required documentation has not been indexed in the original submittal, a revised index and revised Escrow Bid Documents (if required) shall be submitted at the State's discretion, prior to award of the contract.
- 4) If the contract is not awarded to the apparent successful bidder, the next bidder to be considered for award shall, upon request of CDHS, submit Escrow Bid Documents for processing. Timely submission of complete Escrow Bid Documents is an essential element of the bidder's responsiveness. Failure to provide the necessary Escrow Bid Documents may be sufficient cause for the State to reject the bid.

**f. Storage**

The Escrow Bid Documents shall be placed in escrow for the life of the contract. Upon execution of the contract and acceptance of the escrow index as complete, the documents shall be placed in a third party institution acceptable to both the State and the Contractor as securing the documents. (Examples: an Escrow Document Company, a bank safety deposit box or similar arrangement.) The signature and presences of an appropriate State representative and the contractor shall be required to open or retrieve the escrow documents.

The contractor shall pay the cost of storing the escrow documents. However, the State shall be listed and acknowledged to the third party as holding a vested interest in the documents or box containing the escrow documents. Timely notification of the State or CDHS by the third party document holder is required if the contractor is failing to maintain the agreed upon document holding account.

**g. Examination After Award of the Contract**

- 1) The Escrow Bid Documents shall be examined by both the State and the Contractor, at any time deemed necessary by either the State or the

Contractor, to assist in the negotiation for the settlement of claims, in the resolution of disputes, and in Change Order pricing. Examination of the Escrow Bid Documents is subject to the following conditions:

- a) As trade secrets, the Escrow Bid Documents are proprietary and confidential.
- b) The Contracting Officer and the Contractor shall each designate, in writing to the other party and within a minimum of five days prior to examination, representatives who are authorized to examine the Escrow Bid Documents. No other person shall have access to the Escrow Bid Documents.
- c) Access to the Escrow Bid Documents will take place only in the presence of duly designed representatives of both the Contracting Officer and the Contractor.

#### h. **Final Disposition**

The Escrow Bid Documents shall be returned to the Contractor at such time as the contract has been completed and final settlement has been made.

### N. **Evaluation and Selection**

A multiple stage evaluation process will be used to review and/or score narrative proposals. CDHS will reject any proposal that is found to be non-responsive at any stage of evaluation.

A separate evaluation committee will be used for all stages during the evaluation and selection process, as follows:

- The **Preliminary Review Committee (PRC)** consists of team leads from the OMCP and the MMCD and conducts Stage 1 review.
- The **Evaluation Scoring Committee (ESC)** consists of the MMCD staff and CDHS staff working in other areas of the Medi-Cal program. The ESC is responsible for the review of the proposals.
- The **Rating Review Committee (RRC)** consists of OMCP management staff and members of the PRC. The RRC will interact with the ESC throughout the evaluation process.
- The **Executive Review Committee (ERC)** consists of CDHS management officials. The ERC may, at the members' discretion, review evaluation and selection processes and recommended scores for each proposal throughout the procurement process. This review is to assure all appropriate procedures and processes have been followed. Additionally, the ERC may seek independent review or advice from individuals within CDHS or elsewhere regarding

procurement policy matters, narrative and/or cost proposal deficiencies, and acceptability.

## 1. Stage 1 – Required Attachment/Certification Checklist Review

- a. Shortly after the proposal submission deadline, the PRC will convene to review each proposal for timeliness, completeness, and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.
- b. In this review stage, the PRC will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment/Certification Checklist to determine if the Proposer's claims are accurate.
- c. If deemed necessary, the PRC may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Required Attachment/Certification Checklist and to ensure that the proposal is initially responsive to the RFP requirements. It is incumbent upon the Proposer to ensure that all required forms, data, information, etc. are complete, correct, and signed (if required) when the proposal is submitted.
- d. If a Proposer's claim on the Required Attachment/Certification Checklist cannot be proven or substantiated, the proposal will be deemed non-responsive and rejected from further consideration.

## 2. Stage 2 – Narrative Proposal Evaluation/Scoring

- a. Proposals that appear to meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to the ESC.
- b. The Narrative Proposal score represents seventy percent (70%) of the overall proposal score.
- c. The ESC will individually and/or as a team review, evaluate and numerically score Narrative Proposals based on the Narrative Proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.
- d. The ESC will use the following scoring system to assign points. Following this chart is a list of the considerations that the ESC may take into account when assigning individual points to a Narrative Proposal.

Points	Interpretation	General basis for point assignment
0	Inadequate	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet CDHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

<b>Points</b>	<b>Interpretation</b>	<b>General basis for point assignment</b>
<b>1</b>	<b>Barely Adequate</b>	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets CDHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), may be consequential but are acceptable.
<b>2</b>	<b>Adequate</b>	Proposal response (i.e., content and/or explanation offered) is adequate or meets CDHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable.
<b>3</b>	<b>More than Adequate</b>	Proposal response (i.e., content and/or explanation offered) is more than adequate or fully meets CDHS' needs/requirements or expectations.
<b>4</b>	<b>Excellent or Outstanding</b>	Proposal response (i.e., content and/or explanation offered) is well above average or exceeds CDHS' needs/requirements or expectations. Proposer offers one or more enhancing features, methods or approaches that will enable performance to exceed CDHS' basic expectations.

- e. In assigning points for individual rating factors, the ESC may consider issues including, but not limited to, the extent to which a Narrative Proposal response:
- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or
  - 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or
  - 3) Demonstrates that the Proposer understands CDHS' needs, the services sought, and/or the contractor's responsibilities, and/or
  - 4) Illustrates the Proposer's capability to perform all services and meet all scope of work requirements, and/or
  - 5) If implemented, will contribute to the achievement of CDHS' goals and objectives, and/or
  - 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).

- f. Below are the point values and weight values for each rating category that will be scored.
- 1) The proposals, excluding the Cost Section, will be scored on a scale of 0 to 700 points, as follows:

<u>Rating Category</u>	<u>Points</u>	<u>X</u>	<u>Weight</u>	<u>=</u>	<u>Total</u>
Executive Summary	16	X	0.5	=	8
Agency Capability	76	X	2.9605	=	225
Work Plan	16	X	5.75	=	92
Management Plan	20	X	5.0	=	100
Project Personnel	32	X	7.031	=	225
Facilities and Resources	12	X	4.1667	=	<u>50</u>
<b>Grand Total</b>					<b>700</b>

The Final Narrative Proposal Scores shall be rounded to two (2) decimal points.

### 3. Stage 3 – Scoring the Cost Section

- a. The PRC will reconvene to review each Cost Proposal for completeness and responsiveness to the RFP requirements. Submission of a complete and signed Cost Proposal in CDHS' prescribed format is mandatory (refer to **Attachment 16**). If a Proposer fails to comply, its cost proposal may, at CDHS' sole discretion, be deemed non-responsive and the entire proposal rejected from further consideration.
- b. After it has been determined that the cost proposal is complete and in compliance with the RFP instructions, the ESC will:
- 1) Evaluate each overall price in relation to the lowest overall price submitted. The proposal offering the lowest total cost earns 300 Cost points. The remaining proposals earn cost points through the cost conversion formula shown below. Final calculations shall result in numbers rounded to two decimal places.
 
$$\frac{\text{Lowest Cost}}{\text{Another Cost}} \times 300 \text{ (Possible cost points)} = \text{Cost score of the Other Proposal}$$
  - 2) In the event of arithmetic or transposition errors, CDHS will interpret numbers contained in the Cost Proposal in the manner described in the Department Rights, RFP Section P.9.d.(1), Correction of Clerical or Mathematical Errors.
  - 3) The maximum amount of points that can be earned from the Cost Proposal is 300, representing thirty percent (30%) of the overall proposal score. Final cost proposal scores shall result in numbers rounded to two decimal places.

**c. Example for Illustration Purposes:**

Lowest cost earns 300 points.

$\$100,000$  (lowest cost)  $\div$   $\$127,000$  (another proposal cost) = .7874  
 $.7874 \times 300$  points = 236.22 (Cost Section Score of another proposer)

**4. Stage 4 – Combining Narrative Proposal Score and Cost Section Score**

CDHS will combine the Narrative Proposal score to the final Cost Section score and will tentatively identify the firm with the highest combined proposal score from each of the earlier evaluation stage(s).

**5. Stage 5 – Adjustments to Score Calculations for Bidding Preferences**

- a. CDHS will determine which firms, if any, are eligible to receive a bidding preference (i.e., small business or non-small business subcontractor preference, or TACPA and/or EZA).
- b. To confirm the identity of the highest scored responsive Proposer, CDHS will adjust the total score for applicable claimed preference(s) for those Proposers eligible for bidding preferences. CDHS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the Department of General Services. More information about the allowable bidding preference appears in the RFP section entitled, "Preference Programs".

**6. Stage 6 – Final Score Calculation**

CDHS will use the formula shown below to calculate final proposal scores and to determine the highest scored proposal.

**Narrative Proposal + Cost Proposal = Total Proposal Score**

**O. Narrative Proposal Rating Factors**

The ESC will use the following criteria to score the narrative portion of each proposal.

**1. Executive Summary**

Executive Summary Rating Factors (Not to exceed 3 pages)	Points Possible	Total Possible Points Earned
1. To what extent did the Proposer express, in its own words, its understanding of CDHS needs and the importance of this project?	0-4	4

<b>Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.</b>		
2. To what extent did the Proposer express a sincere commitment to perform the work in an efficient manner?	0-4	4
3. To what extent did the Proposer demonstrate that it can effectively integrate this project into its current obligations and existing workload?	0-4	4
4. To what extent did the Proposer adequately explain why it should be chosen to undertake this project at this time?	0-4	4
<b>Executive Summary Score</b>		<b>16 Points Earned X 0.5 = 8</b>

## 2. Agency Capability

<b>Agency Capability Rating Factors</b>	<b>Points Available</b>	<b>Total Possible Points Earned</b>
1. From the date of establishment, has the Proposer been in business for the last three (3) years. 0 – 2 year = 0; 3 years = 3; 4 years or more = 4.	<b>0-4</b>	4
2. Upon reviewing the Proposer's description of its business history, to what extent are the Proposing firm's goals relevant, closely related, or will complement this project?	<b>0-4</b>	4
3. From the experience described in its proposal, to what extent does the Proposer possess relevant past experience with Medicaid and/or Medicare?	<b>0-4</b>	4
4. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in providing an independent analysis and review of statements, reports, and valuations on actuarial and statistical data, and providing actuarial opinions on areas such as, but not limited to, level of capitation rates, reserves, medical provider reimbursement, demographic adjustments or other relevant factors?	<b>0-4</b>	4
5. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in preparing reports and other correspondence of proposed actions and recommendations in the area of capitation rate methodology as it relates to Medicare and/or Medicaid managed care programs.	<b>0-4</b>	4



Agency Capability Rating Factors	Points Available	Total Possible Points Earned
<p>6. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in developing and maintaining automated databases to facilitate analyses of issues in rate development, implementation and monitoring, and serving as the foundation of an evidentiary base to support potential issue statements, arguments, and proposals? The database shall consist of relevant economic, accounting, financial, operational, rate, demographic, and claim-based information, including, but not limited to, selected data from managed care plans, Medicaid and/or Medicare data, provider-based paid claims and rate data files, nursing home and hospital financial disclosure and cost reports, and other selected State and non-State sources.</p>	<b>0-4</b>	4
<p>7. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in constructing and updating an automated model of one or more managed care capitation rate methodologies for various providers, including but not limited to physician, pharmacy, long-term care, hospital, and outpatient facilities for the purpose of analyzing individual reimbursement variables (e.g., geographic location, inflation, eligibility, trend, utilization, national and regional factors, carved out services, administrative cost) and their relative impact on the total reimbursement system?</p>	<b>0-4</b>	4
<p>8. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in analyzing rate cell alternatives for identification of various population groupings (e.g., age/gender, or by Medicaid eligibility)?</p>	<b>0-4</b>	4
<p>9. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in assessing compliance of rate methods and applications with federal or State laws, rules, and regulations on reimbursement and budget related issues?</p>	<b>0-4</b>	4

<b>Agency Capability Rating Factors</b>	<b>Points Available</b>	<b>Total Possible Points Earned</b>
10. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in developing pricing specific to stop-loss insurance and reinsurance?	<b>0-4</b>	4
11. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in analyzing several years of inflation and economic trends, and providing alternative trend models?	<b>0-4</b>	4
12. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in analyzing different types of rate methodologies and models used by governmental and/or commercial entities?	<b>0-4</b>	4
13. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in analyzing the financial statement data of managed care plans or designated classes of providers, with a specific focus towards relevant issues affecting rate methodologies?	<b>0-4</b>	4
14. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in analyzing encounter data?	<b>0-4</b>	4
15. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in analyzing rate methodologies for compliance with the Centers for Medicare and Medicaid Services (CMS) Rate Checklist (Appendix A. PAHP, PIHP and MCO Contracts – Financial Review Documentation for At-risk Capitated Contracts Ratesetting)?	<b>0-4</b>	4
16. From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in providing expert testimony on capitation rate methods and in providing opinions on court documents, discovery materials, and other relevant materials used in court proceedings?	<b>0-4</b>	4
17. Based on a review of the Proposer's information about its prior accounts or work projects, to what extent did the Proposer demonstrate that it has performed services that were similar in nature or closely related to the RFP Scope of Work?	<b>0-4</b>	4

<b>Agency Capability Rating Factors</b>		<b>Points Available</b>	<b>Total Possible Points Earned</b>
18.	To what extent did the Proposer demonstrate that it has had experience establishing and maintaining effective working relationships with government entities, local community based organizations and/or private nonprofit organizations?	<b>0-4</b>	4
19.	Did the three referenced firms support the Proposer's claims regarding (1) satisfaction with services, (2) timely and effective provision of services and deliverables?	<b>0-4</b>	4
<b>Agency Capacity Summary Score</b>		<b>76 Points Earned X 2.9605 = 225</b>	

### 3. Work Plan

<b>Work Plan Rating Factors</b>		<b>Points Available</b>	<b>Total Possible Points Earned</b>
1.	To what extent do the Proposer's overall approaches and/or methods reflect a well organized, comprehensive, and technically sound plan?	<b>0-4</b>	4
2.	To what extent does the Proposer describe the activities and functions that the Proposer may perform to fulfill all Scope of Work requirements?	<b>0-4</b>	4
3.	To what extent did the Proposer offer a rationale basis for choosing its particular approaches and methods (i.e., proven success or past effectiveness).	<b>0-4</b>	4
4.	To what extent does the Proposer describe strategies to communicate information to CDHS and will they meet the objectives of the Scope of Work?	<b>0-4</b>	4
<b>Work Plan Summary Score</b>		<b>16 Points Earned X 5.75 = 92</b>	

#### 4. Management Plan

Management Plan Rating Factors		Points Available	Total Possible Points Earned
1.	To what extent has the Proposer demonstrated its capability to effectively coordinate, manage and monitor the efforts of assigned staff (including subcontractors and independent consultants) to ensure that work is effectively and timely completed?	0-4	4
2.	Upon reviewing the Proposer's description of its fiscal accounting processes, to what extent are the fiscal processes adequate to ensure responsible and accurate billing of project hours on invoices? Has the Proposer demonstrated that it will maintain appropriate documentation to prove, support or substantiate the billable hours invoiced to CDHS?	0-4	4
3.	Upon reviewing the Proposer's description of its fiscal accounting processes, to what extent does the proposed billing or invoicing format and content comply with Exhibit B provisions?	0-4	4
4.	Upon reviewing the Proposer's organization chart, to what extent is the Proposer's organization structurally sound with distinct lines of authority and reporting relationships between management and all staff including Proposer, Proposer's parent/affiliates, subcontractors (including independent consultants) and related parties?	0-4	4
5.	Upon reviewing the Proposer's financial statements, to what extent does the proposer demonstrate available resources to sustain operations in the event that payment for contracted services is delayed?	0-4	4
<b>Management Plan Summary Score</b>		<b>20 Points Earned X 5.0 = 100</b>	

## 5. Project Personnel

Project Personnel Rating Factors		Points Available	Total Possible Points Earned
1.	Upon comparing the organization charts submitted as part of the Management Plan Section to the names and position titles of key personnel (as defined in RFP Section K.h.1(e), to what extent do these two documents agree?	0-4	4
2.	Upon reviewing the background and resumes of the proposed in-house staff and subcontractors (including independent consultants), to what extent do the proposed personnel possess the qualifications and expertise needed to perform the work under the scope of this RFP?	0-4	4
3.	Upon reviewing the proposed job descriptions for the proposed personnel (in-house staff and subcontracting), to what extent does the Proposer's assignment of tasks and responsibilities among personnel appear reasonable and adequate to fulfill the Scope of Work under this RFP?	0-4	4
4.	Did the Proposer provide adequate verification that the actuarial personnel (in-house staff and subcontracting) qualify and are in good standing under the qualification standards established by the American Academy of Actuaries? <sup>2</sup>	0-4	4
5.	Upon reviewing the Proposer's administrative policies and procedures, to what extent will the policies and procedures ensure that vacancies are timely filled and that services are continued despite the presence of vacancies?	0-4	4
6.	To what extent did the Proposer identify proposed actuarial personnel (in-house staff and/or subcontractors, including independent consultants) possessing experience in Medicaid and/or Medicare projects on capitation rate methods?	0-4	4

<sup>2</sup> CDHS intends to check the Society of Actuaries website to confirm that the proposed actuaries are in good standing. Please include a dated verification (e.g., page print from website) with the individuals' resumes. If the individual is not listed on the website, why they are not included and does the supplemental information provided verify that the individual is in good standing as an actuary.

Project Personnel Rating Factors		Points Available	Total Possible Points Earned
7.	To what extent did the Proposer identify proposed actuarial personnel (in-house staff and/or subcontractors, including independent consultants) possessing experience in governmental projects (other than Medicaid /Medicare) on capitation rate methods?	0-4	4
8.	To what extent did the Proposer identify proposed actuarial personnel (in-house staff and/or subcontractors (including independent consultants)) possessing experience in other non-governmental projects on capitation rate methods?	0-4	4
<b>Project Personnel Summary Score</b>		<b>32 Points Earned X 7.031 = 225</b>	

## 6. Facilities and Resources

Facilities and Resources Rating Factors		Points Available	Total Possible Points Earned
1.	To what extent does the Proposer have access to office facilities that are sufficient to enable performance of the scope of work?	0-4	4
2.	To what extent does the Proposer have access to adequate support services and other resources that are needed to ensure successful performance?	0-4	4
3.	To what extent do the Proposer's policies and procedures appear appropriate to secure, store and maintain the sensitive and confidential data that may be provided by or accessed through the CDHS and/or contracted managed care plans during the term of the resulting contract?	0-4	4
<b>Facilities and Resources Summary Score</b>		<b>12 Points Earned X 4.1667 = 50</b>	

## P. Bid Requirements and Information

### 1. Non-Responsive Proposals

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause CDHS to deem a proposal non-responsive.

a. Failure of a Proposer to:

- 1) Meet DVBE participation goals or to demonstrate that a substantial Good Faith Effort (GFE) was made to meet those goals.
  - 2) Meet proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging and/or timely and proper delivery of proposals.
  - 3) Pass the Required Attachment/Certification Checklist review (i.e., by not marking “Yes” to applicable items or by not appropriately justifying, to CDHS’ satisfaction, all “N/A” designations).
  - 4) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required.
- b. If a Proposer submits a proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.
- c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.
- d. If CDHS discovers, at any stage of the bid process or upon contract award, that the Proposer is unwilling or unable to comply with the contract terms, conditions and exhibits cited in this RFP or the resulting contract.
- e. If other irregularities occur in a proposal response that is not specifically addressed herein (e.g., the Proposer places any conditions on performance of the scope of work, submits a counter proposal, etc.).

## 2. **Proposal Modifications after Submission**

- a. All proposals are to be complete when submitted. However, an entire proposal may be withdrawn and the Proposer may resubmit a new proposal.
- b. To withdraw and/or resubmit a new proposal, follow the instructions appearing in the RFP section entitled, “Withdrawal and/or Resubmission of Proposals”.

## 3. **Proposal Mistakes**

If prior to contract award, award confirmation, or contract signing, a proposer discovers a mistake in their proposal and/or cost offering that renders the proposer response for the price/costs offered, the proposer must immediately notify CDHS and submit a written request to withdraw its proposal following the procedures set forth in Section P, Paragraph 4b.

#### 4. Withdrawal and/or Resubmission of Proposals

##### a. Withdrawal Deadlines

A Proposer may withdraw a proposal at any time before the proposal submission deadline.

##### b. Submitting a Withdrawal Request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and submit the withdrawal request using one of the following methods:

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
Withdrawal of RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Withdrawal of RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814
<b>Fax:</b>	
Withdrawal of RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement Fax: (916) 440-7369	

- 3) **[For faxed withdrawal requests]** Proposers must call (916) 552-8006 to confirm receipt of a faxed withdrawal request. Follow-up the faxed request by mailing or delivering the signed original withdrawal request within 24 hours after submitting a faxed request.

An originally signed withdrawal request is generally required before CDHS will return a proposal to a Proposer. CDHS may grant an exception if the Proposer informs CDHS that a new or replacement proposal will immediately follow the withdrawal.

##### c. Resubmitting a Proposal

After withdrawing a proposal, Proposers may resubmit a new proposal according to the proposal submission instructions. Replacement proposals must be received at the stated place of delivery by the proposal due date and time.



## 5. Contract Award and Protests

### a. Contract Award

- 1) Award of the contract, if awarded, will be to the responsive and responsible Proposer, who earns the highest total score. The highest scored proposal will be determined after CDHS adjusts Proposer scores for applicable bidder preferences.
- 2) CDHS shall award the contract only after CDHS posts a Notice of Intent to Award for five (5) working days. CDHS expects to post the Notice of Intent to Award before the close of business on TBA, in a Contract Award Notices Binder which will be available for viewing by the public during normal business hours at the following location:

California Department of Health Services  
Contract Management Unit  
1501 Capitol Avenue, First Floor Guard Station  
Sacramento, CA 95814

- 3) CDHS will mail, email, or fax a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a proposal.
- 4) CDHS will post the Intent to Award on the OMCP web page at <http://www.DHS.ca.gov/omcp>.
- 5) CDHS will confirm the contract award to the winning Proposer after the protest deadline, if no protests are filed or following the Department of General Service's resolution of all protests. CDHS staff may confirm an award verbally or in writing.

### b. Settlement of Ties

- 1) In the event of a precise total high score tie between a responsive proposal submitted by a certified small business or microbusiness and a responsive proposal submitted by a certified DVBE that is also a certified small business, the contract will be awarded to the DVBE firm per Government Code Section 14838(f) et seq.
- 2) In the event of a precise total high score tie between a responsive proposal submitted by a firm that was granted non-small business subcontractor preference and a responsive proposal submitted by a certified small business or microbusiness, the contract will be awarded to the certified small business or microbusiness.
- 3) In the event of a precise total high score tie between a responsive proposal submitted by a nonprofit veteran service agency (NVSA) that is a certified

small business and a responsive proposal submitted by a certified DVBE that is also a certified small business, the contract will be awarded to the certified DVBE.

- 4) In the absence of a California law or regulation governing a specific tie, CDHS will settle all other precise total high score ties by making an award to the Proposer who earns the highest Narrative Proposal score. If Narrative Proposal scores are also tied, CDHS will settle the tie in a manner that CDHS determines to be fair and equitable (e.g., coin toss, lot drawing, etc.) In no event will CDHS settle a tie by dividing the work among the tied Proposers.

**c. Protests**

**1) Who can Protest**

Any proposer who submits a proposal may file a protest if the Proposer believes its proposal is responsive to all RFP requirements.

**2) Grounds for Protests**

Protests are limited to the grounds described in Public Contract Code (PCC) Section 10345. CDHS will not make an award until all protests are withdrawn by the protestant, denied, or resolved to the satisfaction of the Department of General Services (DGS).

**3) Protest Time Lines**

- a. If an eligible Proposer wishes to protest the intended contract award, the Proposer must file a "Notice of Intent to Protest" with both CDHS and the Department of General Services within five working days after CDHS posts the Notice of Intent to Award. The Notice of Intent to Protest may be quite brief. Any Notice of Intent to Protest files more than five working days after CDHS posts the Notice of Intent to Award shall be untimely.
- b. Within five calendar days after filing a "Notice of Intent to Protest", the protestant must file with both CDHS and the Department of General Services a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reasons, law, rule, regulation, or practice that the protestant believes CDHS has improperly applied in awarding the contract.

**4) Submitting a Protest**

Protests must be filed with both the DGS and the CDHS. Proposers may hand deliver, mail, or fax a protest.

Label, address and submit the initial protest notice and detailed protest statement using one of the following methods.

Send the protest to CDHS' Contracting Management Unit at:

<b>U.S. Mail</b>	<b>Hand Delivery or Overnight Express/Courier</b>
Protest to CDHS RFP 07-65142 CA Dept. of Health Services Contract Management Unit MS 1403 P.O. Box 997413 Sacramento, CA 95899-7413	Protest to CDHS RFP 07-65142 CA Dept. of Health Services Contract Management Unit MS 1403 1501 Capitol Ave., Ste 71.2101 Sacramento, CA 95814
<b>Fax:</b>	
Protests to CDHS RFP 07-65142 CA Department of Health Services Contract Management Unit Fax: (916) 650-0110	

And, send the protest to DGS at:

<b>U.S. Mail, Hand Delivery or Overnight Express/Courier:</b>	<b>Fax:</b>
Protest to CDHS RFP 07-65142 Dept. of General Services Office of Legal Services Attention: Protest Coordinator 707 Third Street, 7 <sup>th</sup> Floor, Ste 7-330 P.O. Box 989052 West Sacramento, CA 95798-9052	Protest to CDHS RFP 07-65142 Depart. Of General Services Office of Legal Services  Fax: (916) 376-5088

Please send a copy of the protest as an FYI to CDHS' OMCP at:

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
Protest to RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Protest to RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814
<b>Fax:</b>	

Protest to RFP 07-65142  
 Actuarial Rate Development Project  
 Michele DeGuzman  
 CA Department of Health Services  
 Office of Medi-Cal Procurement  
 Fax: (916) 440-7369

**For faxed protests:**

Faxed protests must be followed-up by sending an original signed protest, with all supporting material, within one (1) calendar week of submitting the faxed protest.

Call the telephone numbers below to confirm your fax transmission:

Department of General Services	(916) 376-5080
CDHS/Contract Management Unit	(916) 650-0100
CDHS/Office of Medi-Cal Procurement	(916) 552-8006

## 6. Disposition of Proposals

- a. All materials submitted in response to this RFP will become the property of the California Department of Health Services and, as such, are subject to the Public Records Act (GC Section 6250, et seq.). CDHS will disregard any language purporting to render all or portions of any proposal confidential.
- b. Upon posting of a Notice of Intent to Award, all documents submitted in response to this RFP and all documents used in the selection process (e.g., review checklists, scoring sheets, letters of intent, etc.) will be regarded as public records under the California Public Records Act (Government Code section 6250 et seq.) and subject to review by the public. However, proposal contents, proposer correspondence, selection working papers, or any other medium shall be held in the strictest confidence until the Notice of Intent to Award is posted.
- c. CDHS may return a proposal to a Proposer at their request and expense after CDHS concludes the bid process.
- d. Losing proposals will be destroyed after six months due to OMCP storage limitations.

## 7. Inspecting or Obtaining Copies of Proposals

### a. Who Can Inspect or Copy Proposal Materials

Any person or member of the public can inspect or obtain copies of any proposal materials.

**b. What Can be Inspected/Copied and When**

- 1) After the Pre-Proposal Conference, the sign-in or attendance sheet is a public record and will be available for inspection or copying.
- 2) On or after CDHS posts the Notice of Intent to Award, all proposals, Proposers list, conference sign-in/attendance sheet, letters of intent, checklists and/or scoring/evaluation sheets become public records. These records shall be available for review, inspection and copying during normal business hours.

**c. Inspecting or Obtaining Copies of Proposal Materials**

Persons wishing to view or inspect any proposal or award related materials must identify the items they wish to inspect and must make an inspection appointment by contacting Michele DeGuzman at (916) 552-8006.

Persons wishing to obtain copies of proposal materials may visit CDHS. CDHS does not possess sufficient staff to reproduce and mail any proposal or award related materials. Additionally, CDHS will not provide persons with a State-owned copy machine to make copies of proposal or award related materials. However, there are other options, which are listed below.

Persons wishing to reproduce proposal or award related materials at OMCP may do so through the following methods:

For Hard Copies: Persons requesting to obtain copies of proposal or award related materials must make copies using their own copy machine and paper that are brought in to OMCP premises. Employees of OMCP are not available to copy the materials. Materials will not be released from State premises for the purposes of making copies.

Sending blank CD-R's: Interested parties also have the option of sending blank CD-Rs to OMCP by mail to the address listed below. Once received, OMCP will then send the requested proposal or award related materials. Hard copy information will not be available electronically or in CDs.

Request for Copies - RFP 07-65142 Actuarial Rate Development Project Michele DeGuzman CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413
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## 8. Verification of Proposer Information

By submitting a proposal, Proposers agree to authorize CDHS to:

- a. Verify any and all claims made by the Proposer including, but not limited to verification of prior experience and the possession of other qualification requirements, and
- b. Check any reference identified by a Proposer or other resources known by the State to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

## 9. CDHS Rights

In addition to the rights discussed elsewhere in this RFP, CDHS reserves the following rights.

### a. RFP Corrections

- 1) CDHS reserves the right to do any of the following up to the proposal submission deadline:
  - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
  - b) Issue clarification notices, addenda, alternate RFP instructions, forms, etc.
  - c) Waive any RFP requirement or instruction for all proposers if CDHS determined that the requirement or instruction was unnecessary, erroneous or unreasonable.
  - d) Allow Proposers to submit questions about any RFP change, correction or addenda. If CDHS allows such questions, specific instructions will appear in the cover letter accompanying the document.
- 2) If deemed necessary by CDHS to remedy an RFP error or defect that is not detected in a timely manner, CDHS may also issue correction notices or waive any unnecessary, erroneous, or unreasonable RFP requirement or instruction after the proposal submission deadline.
- 3) If this RFP is clarified, corrected, or modified, CDHS will mail, email, or fax written clarification notices, and/or RFP addenda to all persons/firms to whom CDHS sent this RFP.

If CDHS decides, just before or on the proposal due date, to extend the submission deadline, CDHS may choose to notify potential proposers of the extension by fax, email, or by telephone. CDHS will follow-up any verbal notice in writing by fax, email, or by mail.

**b. Collecting Information from Proposers**

- 1) If deemed necessary, CDHS may request a Proposer to submit additional documentation during or after the proposal review and evaluation process. CDHS will advise the Proposers orally, by fax, email, or in writing of the documentation that is required and the timeline for submitting the documentation. CDHS will follow-up oral instructions in writing by fax, email, or mail. Failure to submit the required documentation by the date and time indicated may cause CDHS to deem a proposal non-responsive.
- 2) CDHS, at its sole discretion, reserves the right to collect, by mail, email, fax or other method the following omitted documentation and/or additional information.
  - a) Signed copies of any form submitted without a signature.
  - b) Data or documentation omitted from any submitted RFP attachment/form.
  - c) Information/material needed to clarify or confirm certifications or claims made by a Proposer.
  - d) Information/material or form needed to correct or remedy an immaterial defect in a proposal.
- 3) The collection of proposer documentation may cause CDHS to extend the date for posting the Notice of Intent to Award. If CDHS changes the posting date, CDHS will advise the Proposers, orally, via email, or in writing, of the alternate posting date.

**c. Immaterial Proposal Defects**

- 1) CDHS may waive any immaterial defect in any proposal and allow the Proposer to remedy those defects. CDHS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect.
- 2) CDHS' waiver of an immaterial defect in a proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.

**d. Correction of Clerical or Mathematical Errors**

- 1) CDHS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative portion of a proposal, or on a Cost Proposal form.
- 2) If the correction of an error results in an increase or decrease in the total price, CDHS shall give the Proposer the option to accept the corrected price or withdraw their proposal.

- 3) Proposers may be required to initial corrections to costs and dollar figures on the Cost Proposal form if the correction results in an alteration of the annual costs or total cost offered.
- 4) If a mathematical error occurs in a total or extended price and a unit price is present, CDHS will use the unit price to settle the discrepancy.

**e. Right to Remedy Errors**

CDHS reserves the right to remedy errors caused by:

- 1) CDHS office equipment malfunctions or negligence by agency staff,
- 2) Natural disasters (i.e., floods, fires, earthquakes, etc.).

**f. No Contract Award or RFP Cancellation**

The issuance of this RFP does not constitute a commitment by CDHS to award a contract. CDHS reserves the right to reject all proposals and to cancel this RFP if it is in the best interests of CDHS to do so.

**g. Contract Amendments After Award**

As provided in the Public Contract Code governing contracts awarded by competitive bid, the CDHS reserves the right to amend the contract after CDHS makes a contract award.

**h. Proposed Use of Subcontractors and/or Independent Consultants**

Specific subcontract relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect CDHS' right to approve personnel or staffing selections or changes made after the contract award.

**i. Staffing Changes After Contract Award**

CDHS reserves the right to approve or disapprove changes in key personnel that occur after CDHS awards the contract.

**Q. Bidding Certification Clauses**

**1. Certificate of Independent Price Determination**

- a. The prospective proposer certifies that:



- 1) The prices in this bid or proposal have been arrived at independently without any consultation, communication or agreement with any other proposer, proposer or competitor for the purpose of restricting competition relating to:
    - a) The prices or costs offered,
    - b) The intention to submit a bid or proposal,
    - c) The methods or factors used to calculate the costs or prices offered.
  - 2) The prices in this bid or proposal have not been and will not be knowingly disclosed by the proposer, directly or indirectly, to any other proposer or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.
  - 3) No attempt has been made or will be made by the proposer to induce any other firm or entity to submit or not to submit a bid or proposal for the purpose of restricting competition.
- b. Each signature appearing on the documents contained in this bid package/proposal is considered to be a certification by the signatory that the signatory:

Is the person in the proposer's organization that is either responsible for determining the prices offered in this bid or proposal and/or is designated to complete the bid or proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph a.

## **2. Debarment and Suspension Certification**

- a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:
- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - 2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a.2) of this certification; and

- 4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
  - 5) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
  - 6) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this contract.

### **3. Lobbying Restrictions and Disclosure**

- a. The Contractor certifies, to the best of its knowledge and belief, that:
- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - 3) The Contractor shall require that the contents of this certification be collected from the recipients of all subawards, exceeding \$100,000, at all tiers (including subcontracts, subgrants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.
- b. This certification is a material representation of fact upon which reliance was placed when this contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000

and not more than \$100,000 for each such failure.

- c. The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, CDHS upon request, or may be copied from Exhibit D(F) entitled, Special Terms and Conditions.

## **R. Preference Programs**

To confirm the identity of the highest scored responsible Proposer, CDHS will adjust the total point score for applicable claimed preference(s). Bidding preferences shall not be applied to proposals that fail to pass the Checklist Review. CDHS will apply preference adjustments to eligible Proposers according to State regulations following on-line or personal verification of eligibility with the appropriate office of DGS

### **1. Small Business/Microbusiness Preference**

- a. A responsive California small business or microbusiness proposer claiming preference and verified as a certified small business or microbusiness in a relevant business category or type will be granted a preference of five percent (5%) of the total point score earned by the responsive/responsible proposer with highest combined score, if the highest scored proposal is submitted by a non-small business. Non-small business means a responsive/responsible proposer that is not certified by DGS as a California small business or microbusiness in a relevant business category or type. The "service" category or business type will most likely apply to this procurement. Nonprofit Veteran Service Agencies (NVSA) are to view the instructions in provision 3 of this section (Preference Programs).
- b. To be certified as a California small business or microbusiness and eligible for a bidding preference the business concern must meet the State's eligibility requirements and must have submitted an application for small business status no later than 5:00 p.m. on the proposal submission deadline.
- c. Firms desiring small business and/or microbusiness certification must obtain the appropriate Small Business Certification Application (STD 813 or other form) from the appropriate office of the Department of General Services as instructed in the application. Prospective proposing firms desiring small business certification assistance may contact DGS by the following means:
  - 1) (916) 322-5060 (24 hour recording and mail requests), or
  - 2) (916) 375-4940 (small business assistance) or (800) 559-5529 (live operator Central receptionist), or
  - 3) Internet address: <http://www.pd.dgs.ca.gov/smbus/default.htm> or
  - 4) Fax: (916) 375-4950, or
  - 5) Email: [osdchelp@dgs.ca.gov](mailto:osdchelp@dgs.ca.gov)

## 2. Non-Small Business Subcontractor Preference

- a. Non-small business means a responsive/responsible proposer that is not certified by DGS as a small business or microbusiness.
- b. If a responsive proposer earning the highest total score is not a certified small business/microbusiness, a bid preference up to five percent (5%) is available to a responsive non-small business committing twenty-five (25%) small business subcontractor use of one or more small businesses. When applicable, the preference points will be calculated pursuant to the regulations in Title 2, California Code of Regulations (CCR) §1896.8 and will be added to total score of an eligible non-small business. This preference is authorized to Title 2, CCR §1896.2 and Government Code §14835.
- c. If a proposer claims the non-small business subcontractor preference, the proposal response must identify each proposed small business subcontractor that will be used, the participation percentage and dollar amount committed to each identified small business subcontractor, and substantial proof to enable verification of each subcontractor's small business status. The total small business subcontractor use must equal no less than twenty-five percent (25%) of the total cost offered.
- d. To be granted preference, each proposed small business subcontractor must possess an active small business certification issued by DGS, must perform a "commercially useful function" under the contract and the basic functions to be performed must be identified at the time of proposal submission.
- e. Complete **Attachment 10a (Non-Small Business Subcontractor Preference Request)** and **Attachment 10b (Small Business Subcontractor/Supplier Acknowledgement)** to request the non-small business subcontractor preference.
- f. Refer to the RFP section entitled, "Settlement of Ties" to learn how tied costs will be resolved.

## 3. Nonprofit Veteran Service Agency (NVSA) Small Business Preference

- a. Pursuant to Military and Veteran Code Section 999.50 et seq., responsive/responsible nonprofit veteran service agencies (NVSAs) claiming small business/microbusiness preference and verified as such in the relevant category or business type prior to the proposal submission due date will be granted a preference up to five (5%) of the highest score, if the highest scored responsive proposal is submitted by a proposer not certified as a small business/microbusiness. The "service" category is the business type that will most likely apply to this procurement.

- b. To be eligible for the NVSA small business preference, the business concern must:
  - 1) Request small business preference at the time of proposal submission, and
  - 2) Become certified as a small business by the appropriate office of the DGS prior to the proposal submission due date.
- c. Refer to the RFP section entitled, "Settlement of Ties" to learn how tied proposals will be resolved.

#### 4. Target Area Contract Preference Act and Enterprise Zone Act

- a. Government Code (GC) section 4530 (TACPA) and GC section 7070 (EZA) provide that California based companies shall be granted a 5% preference whenever a state agency prepares a solicitation for **services** in excess of \$100,000. The preference(s) shall apply if the worksite is not fixed by the government agency and the proposer can demonstrate and certify, under the penalty of perjury, that at least 90 percent of the total labor hours required to perform the services shall be performed at an identified worksite located in a distressed area (TACPA) or enterprise zone (EZA). TACPA/EZA preferences will only be applied if this procurement results in more than one responsive proposal.
- b. Additional work force preferences ranging from 1% to 4% can be earned by eligible proposers that agree to hire 5% to 20% of persons with a high risk of unemployment or those living in a targeted employment area or that are enterprise zone eligible to perform a specified percentage of the contract work.
- c. The granting of TACPA or EZA preference cannot displace an award to a certified small business.
- d. Proposers seeking TACPA and/or EZA preference must submit a completed STD 830 - Target Area Contract Preference Act Request (**Attachment 11**) or a STD 831 - Enterprise Zone Act (EZA) Preference Request (**Attachment 12**) with their proposal. The applicable preference request form must include the following:
  - 1) All appropriate certifications. (TACPA and EZA)
  - 2) The proposing firm's name and the name of all suppliers and subcontractors that will work with the proposer to fulfill the terms of the contract along with the addresses of each of the worksite(s) and estimated labor hours. (TACPA and EZA)
  - 3) County census tract number and block group number. (TACPA)
  - 4) Enterprise zone name(s). (EZA)
  - 5) Proposer's original signature. (TACPA and EZA)
  - 6) A checkbox marked to identify the additional 1 to 4 percent preference sought for hiring persons with a high risk of unemployment (TACPA and EZA)
- e. TACPA and/or EZA preference cannot be granted if:

- 1) The lowest proposed cost does not equal or exceed \$100,000 for the entire term, **or**
  - 2) The work site or any part thereof is fixed or preset by the State, **or**
  - 3) The services involve construction or a public works project.
- f. A proposer who has claimed a TACPA and/or EZA preference and is awarded the contract will be obligated to perform in accordance with the preference(s) requested, provided the preference was granted in obtaining the contract. Firms receiving preference must:
- 1) Report their labor hours to the State and
  - 2) Reference the state contract on which the award is based for the specific reporting requirements.
- g. Proposers wishing to learn more about TACPA and/or EZA requirements, designated work site(s) or enterprise zones in California should contact the appropriate office of the DGS at (916) 375-4940. DGS will attempt to determine TACPA and/or EZA eligibility within two working days.

#### **5. Local Military Base Recovery Area (LAMBRA) Act Preference**

- a. LAMBRA preference may be granted for this procurement if the lowest cost offered is \$100,000 or more; if no part of the worksite is fixed by CDHS, and the proposer can demonstrate and certify, under the penalty of perjury, that 100 percent of the total labor hours required to perform the services shall be performed at an approved worksite located in a local military base recovery area. LAMBRA preference will only be applied if this procurement results in more than one responsive proposal receiving a passing Narrative Proposal score.
- b. Proposers seeking to obtain a LAMBRA five percent preference must acquire and submit a completed STD 832 (Local Military Base Recovery Area Act for Goods and Services Solicitations) with their proposal response. The STD 832 may be accessed at this Internet site:  
<http://www.documents.dgs.ca.gov/osp/pdf/std832.pdf>.
- c. Proposers wishing to obtain more information about LAMBRA Preference should visit this website: <http://www.pd.dgs.ca.gov/edip/lambra.htm>

#### **6. Combined Preferences**

The maximum preference or score addition that any proposer may be granted for preference, non-small business subcontractor preference, TACPA and EZA preference or LAMBRA preference combined is 15%.

Any firm that claims and is granted non-small business subcontractor preference, TACPA preference, EZA preference, and/or LAMBRA preference cannot displace an award to a certified small business or microbusiness.

## S. Contract Terms and Conditions

The winning Proposer must enter a written contract that may contain portions of the Proposer's proposal (i.e., Cost Proposal Forms, Work Plan), Scope of Work, standard contract provisions, the contract form, and the exhibits identified below. Other exhibits, not identified herein, may also appear in the resulting contract.

The exhibits identified in this section contain contract terms that require strict adherence to various laws and contracting policies. A Proposer's unwillingness or inability to agree to the proposed terms and conditions shown below or contained in any exhibit identified in this RFP may cause CDHS to deem a Proposer non-responsible and ineligible for an award. CDHS reserves the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version is available.

The exhibits identified below illustrate many of the terms and conditions that may appear in the final agreement between CDHS and the winning Proposer. Other terms and conditions, not specified in the exhibits identified below, may also appear in the resulting agreement. Some terms and conditions are conditional and may only appear in an agreement if certain conditions exist (i.e., contract total exceeds a certain amount, federal funding is used, etc.).

In general, CDHS will not accept alterations to the General Terms and Conditions (GTC), CDHS' Special Terms and Conditions, the Scope of Work, other exhibit terms/conditions, or alternate language that is proposed or submitted by a prospective contractor. CDHS may consider a proposal containing such provisions "a counter proposal" and CDHS may reject such a proposal as non-responsive.

### 1. Sample Contract Forms/Exhibits

<b><u>Exhibit Label</u></b>	<b><u>Exhibit Name</u></b>
Exhibit A-1	Standard Agreement (1 page)
Exhibit A	Scope of Work
Exhibit B	Budget Detail and Payment Provisions (3 pages)
Exhibit C – View on-line.	General Terms and Conditions (GTC 307). View or download this exhibit at this Internet site <a href="http://www.ols.dgs.ca.gov/Standard+Language/default.htm">http://www.ols.dgs.ca.gov/Standard+Language/default.htm</a>
Exhibit D(F)	Special Terms and Conditions (26 pages)
Exhibit E/ Attachment 1	Bid Documentation Certification (1 page)
Exhibit E	Additional Provisions (13 pages)
Exhibit F	Contractor's Release (1 page)
Exhibit G	Travel Reimbursement Information (2 pages)
Exhibit H	HIPAA Business Associate Addendum (7 pages)
Exhibit I	Cost Proposal Submitted by the Contractor on XX/XX/XXXX (XX pages)

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<b><u>Exhibit Label</u></b>	<b><u>Exhibit Name</u></b>
Exhibit J	Narrative Proposal Submitted by the Contractor on XX/XX/XXXX (XX pages)

## **2. Unanticipated Tasks**

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in CDHS' opinion is necessary to successfully accomplish the Scope of Work, CDHS will initiate a contract amendment to add that work. All terms and conditions appearing in the final contract including the salary/wage rates, unit rates and/or other expenses appearing on the Proposer's Cost Proposal will apply to any additional work.

## **3. Resolution of Language Conflicts (RFP vs. Final Agreement)**

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.